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The Nation's Business

Shall Newfoundland and Canada Join?

Newfoundlanders Wonder What is Advantage?

Labrador Award Starts Discussion

Ferguson and Taschereau

SOME argument is now heard in this sixtieth year of our history as one nation that Confederation should be rounded out by the inclusion of Newfoundland in the Canadian federation. Willison's Monthly and the Toronto Mail and Empire are two publications among others that have advanced this suggestion. In discussing the possibility of Newfoundland joining Canada, the views of Newfoundland itself are just as important as the views of Canadians. And Newfoundlanders in touch with opinion in their country state that Newfoundland has nothing to gain from a union with Canada. Undoubtedly the decline of the prosperity of the Maritime provinces under Confederation has been an ever present warning to them. It is not enough to reply that Confederation was not responsible for the decline of the Maritimes; that economic conditions—changing trade routes, steel ships, Fordney tariff, etc.—were responsible. Newfoundlanders have seen that Confederation did not stem the tide of depression in the East. And so they do not see how Confederation with Canada will do for them more than it did for the Maritime provinces.

* * *

IT WOULD cost Canada a great deal to induce Newfoundland to join with us; probably a heavier burden than we can now assume. While we would get much in return, particularly in the way of natural resources and in some increase in population, they would not at the present moment represent an enhancement in our material or social resources commensurate with the present cost. Newfoundland's population, for instance, is no larger than that of Montreal's suburbs. Its revenues from forests, mines and fisheries are not large per capita as yet. These things are said in no derogatory sense, with no feeling of superiority towards Newfoundland, which is a wonderful Dominion with great potentialities. But they are pointed out in order that discussion of the possible union with Newfoundland may consider the material and financial side as the patriotic and Imperial side of the question.

Newfoundland is a nation with a comfortable nest egg of resources, developed and undeveloped. They are worth a great deal to Newfoundland. Newfoundland as a separate nation can build a sound future on these resources. Linked with the resources of Canada they might be lost in the shuffle, with adverse consequences both to Canada and to her island sister.

* * *

WHEN the various Canadian provinces joined in Confederation there was naturally a financial adjustment. The Dominion government assumed a certain proportion of the debts of each province. It would have to assume a larger share of Newfoundland's debt of $65,000,000. The Dominion government took over the customs, postal, and excise revenues of the provinces and in return gave a subsidy towards the carrying on of provincial government. Customs provides over 80 per cent. of Newfoundland's revenue. A very large subsidy would have to be paid out of the Federal treasury while the customs revenue would undoubtedly decline. What is the attraction for Canada?

Newfoundlanders can best answer the question of what attraction there would be for them in Union.

And yet, after all, union of the two Dominions may be economically possible, may be sound and desirable. In throwing out these comments, The Post does not wish to seem to reject the idea nor to deplore discussion upon it. There is bound to be discussion, especially now that Newfoundland has won from Canada such a large area in Labrador and such immense new resources. But many people in touch with both Newfoundland and Canada wonder just what specific advantages one can offer the other in a union.

* * *

IT WAS a prominent French-Canadian business man who suggested this week that the ideal government for Canada would be a Taschereau-Ferguson fusion. The suggestion may not be practical from the standpoint of working politics, but it does link the names of the two men of outstanding political ability in Canada to-day; men who are giving their respective provinces such able administration as to prove that there is no real distinction between Liberal and Conservative when the Liberal and the Conservative are both constructive Canadians first and partisans second.

That a French-Canadian should suggest Ferguson to join in governing Canada is significant. Ontario's premier has won much support in the French-speaking province in recent years. La Presse's recent interview with Ferguson and its laudatory comments about his broadmindedness showed the trend of thought.

It is rather interesting that just now Ontario and Quebec—that is, Ferguson and Taschereau—are standing side by side in the battle for the recognition of provincial rights to water power resources, the live issue that has been raised by the Georgian Bay Canal discussion. If Ottawa thinks it can fool either of these provincial premiers it is badly mistaken and if it thinks it can fool them both it is going to get an awakening.

CANADA BREAD NOT PLANNING EXPANSION NOW

Company Had No Plans For Merging With Canadian Bakeries

NEW COMPETITION

Bakers Delivering to Homes Find Chain Stores Are Selling Other Loaves Cheaper

Recent strength displayed in the stock market by the shares of Canada Bread Co. was not the result of any plans for merging Canada Bread with Canadian Bakeries, but was merely incidental to the discovery by the street that Canada Bread is continuing to earn well.

From reliable sources, it is learned that Canada Bread has not immediate expansion plans in view which would increase the gross earnings. While the cash position is known to be excellent, it is improbable that any further distribution of profits to shareholders is immediately in the offing. The company is conservatively financed and managed and there is a disposition to keep the reserves at a good figure to provide for adverse contingencies and also to make possible the purchase of other properties, when, and if, they come into the market. It is stressed, however, that nothing of this kind is definitely in view, although the directors may have their opinions as to what new fields might at some future time become desirable for development.

Chain Stores Compete

While the business of Canada Bread Co. and the other large bakers is continuing to grow, the bakers who maintain house-to-house delivery are not without competition. This competition comes principally from the chain stores, which in recent months have been selling both wrapped and unwrapped bread at prices somewhat below the prices which necessarily are charged by the bakers who deliver to the consumers. One large chain store does not sell bread, but others, it is said, are selling at cost prices in order to attract custom.

Various of the leading bakers who sell direct to consumers who have been consulted say that their business, they have reason to believe, will continue to grow in the face of this competition, for the reason that consumers, in times of normal prosperity, prefer to have the bread delivered to their homes, even though the cost is somewhat higher. Moreover, bakers who have been building consumer trade contend that the quality of their products assures continued growth of business.

Most of the larger bakers sell a considerable portion of their product wrapped in oil paper, although the demand for wrapped bread is not so apparent as it was a few years ago. Consumers, it is said, are making the discovery that the wrapped bread in time takes on the flavor of the paper and that the sealing tends to make the crust soft when, for various scientific reasons, it should be hard.

The one reason advanced for the wrapping of bread at the bakeries is that the wrapping prevents soiling and contamination. In this connection, however, it is pointed out that most, perhaps all, of the large bakers take more than ordinary care to keep the loaves clean when unwrapped and that conditions in all bakeries have improved in the last generation. It is pointed out that illness never has been traced to bread. There were no charges of this character even in the old days when grocery stores piled bread indiscriminately.

Bread wagons are cleaned thoroughly every day by the large bakeries. The drivers of one company never have occasion to harness or unharness horses, and the reins never go to the stables. They are kept in the delivery room and are washed daily in soap and water. When a driver is ready to start his rounds, he calls his number and his horse is brought to him and hitched to the wagon. Of course, there are alsb rigid rules regarding the personal cleanliness of drivers.

Canadian Celanese Starts Up Its Looms

MONTREAL.—The looms of the Canadian Celanese plant at Drummondville, P.Q., have been started and it is expected shortly to supply the Canadian trade with its entire celanese requirements from textiles woven in Canada. As soon as possible the company will break ground for its chemical acetate plant; when this addition is completed, the entire process of spinning, weaving, dyeing, finishing and printing the celanese yarns and fabrics will be carried out at Drummondville.

Imperial Oil Profits Drop With Crude

Overproduction of crude oil in the Midcontinent field has forced down the price of the spot product. The effect of this, it is reported, will be to reduce the earnings of Imperial Oil drastically until such time as consumption again overtakes production or long-term contracts which Imperial Oil has with producers in other fields expire. The drop in the price of crude also must affect the earnings of International Petroleum, Imperial Oil's subsidiary, which contributes a great proportion of the earnings of the parent.

British American Oil, which does not enter in such long-term contracts for its supplies as the companies in the Standard Oil group, will be less seriously affected by the drop in the price of spot crude. B. A. Oil is not a large holder of producing properties.

McColl Bros., and other Canadian companies, as distributors of petroleum products, will not be affected by the fluctuations in the prices of crude except insofar as their supplies are derived from producers selling under contract.

Long Distance Calls from Newark to Toronto Part of Stock-Selling Game

"Financial Forecast Service," the very questionable American stock-tipster organization operated by J. R. Smith Investment Company of Newark, N.J., has shifted the ground of its attack on Canadian investors. This high pressure organization, which actually charges a fee for giving independent (?) advice to investors has been boosting a number of stocks of doubtful merit lately. It was one of the chief factors in the sensational rise of Vickers Porcupine. which was boomed by this organization. Three weeks ago it was speaking of Vickers in these words:

"... a mining issue, which has been steadily increasing in price for the past four years, and which is listed,...... is, we understand, being groomed for a sensational market advance by the insiders. This company owns reputed fabulously valuable properties in the Porcupine and Rouyn Mining Camps of Canada, immediately adjoining a property of a mining company whose shares have had a sensational rise in the past year from $1 to $22 a share. We believe this particular security has splendid possibilities for market advances within a short time of a minimum of at least 200 to 300 per cent."

A few days later Vickers flopped from $1.45 to 40 cents in one day. Naturally the Smith boiler room turned off the steam pressure on Vickers and no more hot tips on this stock were sent out.

Now "Breeze Corporation"

But there were other stocks to boost. for Mid-Continent Royalties was boosted. Of course the service assured its clients that it had no interest whatsoever in these stocks. It was merely in the position of giving independent financial advice. It charged $1 for sixty days' service.

For the past few days the "service" has been grooming its clients for another hot tip on th market. After recommending a list of high grade stocks, which would win the confidence of investors, it finally made its special recommendation of Breeze Corporation, a small merger of automobile accessory concerns. Breeze stock had been taken in hand by a strong pool and sharp advances were in order, was the word.

High Pressure on 'Phone

This hot tip was followed by intensive sales work over the long distance telephone. The weakness of their argument that they were absolutely independent and giving only an advisory service should have been apparent to any one of the Canadian investors who paid their dollar for sixty days' service and received a ten dollar long distance telephone call in exchange, paid for by the service because of its desire to make money for its client. One Toronto man who had such a call put through to him

(Continued on page 4)

G. & W. AT NEW HIGH DISCOUNTS FUTURE PROFITS

Company Embarks on Building Program to Care For Added Business

WALKER SHARES RISE

Seagram's too, is Strong on Exchange; Breweries Not Affected by Evidence Before Customs Enquiry

With Gooderham & Worts stock selling at above $60 the share on the Toronto exchange, the company is valued at more than $12,000,000. Those close to the company say that this valuation, while not excessive for investors, is discounting somewhat the future of the company.

All the distillers expect the domestic market for their products to expand with the more liberal laws prevailing in Ontario and the Western Provinces and Quebec, with the possibility that the Maritime voters also will demand a change at the first opportunity. The export market, while it will no longer be the mainstay of the business, will continue to contribute something to the earnings of these companies. It is pointed out that, although the public thinks of the export market as being the legally dry United States, there is, in addition, a legitimate export market in the West Indies and elsewhere. One visitor in Jerusalem recently said that he had seen a well-known Canadian whisky on the bar of one of the hostelries in the Holy City.

Walker at New High

Shares of Hiram Walker went to a new high on the Toronto exchange this week on the eve of the customs investigators journeying to the Border Cities to inquire into conditions there. It is believed by buyers of this stock that the Walker distillery will be given a clean bill of health. At least, it can be assumed with some degree of certainty that the present management will not be charged with whatever faults may be attributed to its predecessor.

Sales from the Walker distillery since the management allied to Gooderham & Worts took over have not been disclosed, but it is believed that these have been satisfactory and will grow from this time. The new Ontario law will have a beneficial effect on earnings, it is believed.

It is not anticipated by the distillers that there will be an actual increase in drinking by residents of Ontario when the new law becomes effective. But it is thought that the market for moonshine (illegally distilled drinks) will be eliminated and that the distilleries will reap the benefit for this. Possibly, however, the fact that the illegal distillers pay no excise taxes will tend to maintain a certain undercover trade for the illicit industry, but it is hoped that in the course of time this will pass out, especially if the Dominion government within a reasonable time reduces the excise tax, which now stands at $9 the proof gallon.

More than $300,000 is being spent at present on the Gooderham & Worts plant. Two new racks are under construction and a new boiler is being installed. One of the new buildings being constructed is four storeys, 60 feet by 180 feet, and is being built of brick. Rapid progress is being made. This building will be used for storing supplies and for bottling. Another building, eight storeys, 75 feet by 225 feet, will be started within the next few days. This building will have a capacity of 30,700 barrels or 1,250,000 gallons. It will be larger by 5,000 barrels than any other building of its kind in Canada.

When the present construction program has been completed, Gooderham & Worts will have storage capacity for 3,250,000 gallons of spirits, or 75,000 barrels. The Hiram Walker plant can store 100,000 barrels, or 4,500,000 gallons. Gooderham & Worts production capacity, however, will be somewhat higher than that of Hiram Walker.

Will Seek Casualty Business in England

Announcement was made in Toronto this week that a Canadian casualty company is about to pioneer in England. The Dominion of Canada Guarantee & Accident Insurance Co. is opening an office in London, Eng., within the next month or two, and is preparing to write all lines of risks, including life insurance. F. W. Cox, will be in charge of the new office and will superintend the work of developing this territory. Mr. Cox, who was formerly manager of the Imperial and Western group of companies, has for some time been superintendent of foreign agencies, for the Dominion Guarantee & Accident.

BRICK WAR NOW HISTORY; MAKERS BEGIN TO PROFIT

Poor Showing For 1926 Induces Manufacturers to Stop Cutting Throats

Brick companies in the Toronto area report much better business this spring than at any time in 1926. Prices are from $3 to $7 the thousand brick higher than in previous years and the volume of business remains at almost a record figure since the war. Prices have been raised to a profitable figure since some of the brick companies which were fostering a price-cutting form of competition studied their balance sheets for 1926. The balance sheets of none of the companies are published, so that the exact position is not known to the public.

While prices have been stiffened in the last few weeks, credits have been reduced materially. The principal creditors of the brick makers are builders of homes to sell at from $6,000 to $8,000. These builders, for the most part, have a number of houses on their hands unsold and the brick companies have been forced to carry a considerable portion of the load.

The 1927 business in Toronto is for homes in the more expensive class and for office buildings. Outside Toronto, there is still considerable home building taking place, particularly in the border communities around Windsor, at Niagara Falls and in the vicinity of the Peace bridge.

An idea of the permanent character of the mining camps of Northern Ontario and Quebec is gained from the fact that much of the building in those communities is with brick. New office buildings are being built in Timmins, Noranda and other places, while brick continues to be the principal material used in building schools. The brick companies also have obtained substantial contracts for hospitals and other public buildings.

Seagram's stock also has been strong on the Toronto exchange this week, it being felt that, whatever may be the report of the customs commission on this distillery and the industry in general, the future earnings of the new company are not likely to be affected adversely. Moreover, it is probable that several months must elapse before there will be a report from the commission and that there will not be legislation affecting the export market during the present session of the Dominion Parliament.

Prices of brewery stocks have not been affected by the customs probe, although much of the time of the commission has been taken up in the last week or two with conditions affecting the distribution of brewed beverages under prohibition.

The Financial Post will be published on Thursday of next week, one day early.

Wolvin Group Strongly Opposes National Trust's Petitions for Winding Up of Besco Companies

Argument on the petitions of National Trust Co. for an order to wind up British Empire Steel Corp. and Dominion Steel Co. is dragging on in the Nova Scotia supreme court before Justice Chisholm. The opposition to the action comes from the management of Besco, headed by President Roy M. Wolvin. Glynn Osler, K.C., is chief counsel for National Trust Co. and I. F. Hellmuth, K.C., leads for the Wolvin interests.

W. E. Rundle, general manager of National Trust, was called to Halifax to testify after he had gone to Atlantic City for a rest. The fact that Sir Joseph Flavelle is in Honolulu is the only reason that he was not called.

Much of the argument is concerning the question of Roy M. Wolvin's advocacy or non-advocacy of the so-called Hoyt plan of reorganization of Besco and its subsidiaries. The petitions of National Trust Co. criticised this plan as expensive and inimical to the interests of large bodies of shareholders in the parent and subsidiary companies.

Another feature of the opposition to the National Trust Co. is an effort of other counsel to show that larger groups of shareholders than those represented by National Trust are opposed to the winding-up of the two companies. Besco counsel has contended that there is nothing to indicate that the preference shares are in jeopardy.

National Trust Co., in asking for a winding-up order, has suggested that Royal Trust Co. be named liquidator for both companies.

SAYS HARDWOOD PLAN TO BRING BRITISH CAPITAL

Canadian Interested Points To Venture as Evidence of Revived Interest

IS BIGGEST STAND LEFT.

Birch, Maple, Twelve Miles Wide, Would Reach From Toronto to Buffalo N. Y.

Frank Kent, president of Seaman-Kent Co., leaves for Great Britain this week in connection with the organization of British companies to produce hardwood from the 23 townships recently bought from the Ontario government and 11 townships bought from private interests.

Although several companies will be formed, two of them incorporated in Ontario, in connection with the enterprise, which will run into millions of dollars, all the capital will come from Britain, mostly from Edinburgh, and there will be no opportunity for public investment, either in Canada or Britain.

The area acquired by the British interests with whom Mr. Kent is associated, has on it the largest remaining hard maple and birch left standing in the northern part of the continent. The manufacturing processes will be entirely within the province, so far as is practicable, the development even going farther than is required by the embargo on the export of logs.

1,224 Miles in Stand

Estimates of the quantity of hardwood in the 34 townships vary, but it is pointed out that the stand is equivalent to 1,224 square miles, or a strip 102 miles long and twelve miles wide. If this timber were in a straight strip it would stretch a distance equal to the distance from Toronto, Ont., to Buffalo, N.Y.

More than $2,000.000 will be spent on development work in the vicinity of Bruce Mines, Nestorville and Thessalon. Men already are on the ground and it is expected that a small sawmill will be in operation within a few weeks for the cutting of timbers to be used in the construction of the larger mills.

It is expected that the hardwood will find a ready market in Canada, the United States and Great Britain.

Mr. Kent views the venture of British capitalists in the hardwood lumber industry of Northern Ontario as an evidence that British capital again is seeking investment in Canada.

Miners Strike Fails to Worry Coal Market

Although 200,000 union soft-coal miners are on strike, or enjoying a suspension, in the United States, the walkout April 1st has caused hardly a ripple in the coal market. Non-union mines are producing about seven-eighths of the normal consumption of coal and easily could be speeded to take care of all demands. There are enormous reserves of fuel throughout the continent. The strike, or suspension, has been foreseen for months.

Sterling Coal Co., which has its head office in Toronto, does not expect to be affected adversely by the strike. The company's Ohio mine was sold to the miners a year or two ago and is being operated as a co-operative enterprise, with the company getting a percentage of the receipts and a commission for acting as selling agent. The company's West Virginia pits are in the non-union territory. Trouble is not expected there unless the union succeeds in intimidating a large number of workers.

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Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Trend of Foreign Trade Not Unfavorable to Canada
Contemplated Construction $93,000,000 Ahead of 1926
Revenue Freight Movement Setting New Records
Smaller Number of Failures Indicate Better Business

Trade returns for the past two months indicate a trend foreign to the general run in that imports have been steadily increasing in value while exports have failed to register a corresponding gain, thus lowering the balance which has been substantially in favor of Canada during the past five years. The situation has given rise to the statement that our export trade reflects internal conditions, which are not so uniformly prosperous as government and other reports would indicate.

Inquiry and analysis of recent trade figures show that such is not the case and that conditions are just as good as evidenced by outward signs. Heavier importations for example, are brought about by greater demand and ability to pay for such importations is due to the existence of extensive credit. The most important change in import trade is seen in motor vehicles. In the twelve months ended February, 1926, we imported freight autos to the value of $1,771,522; passenger autos, $13,223,873; and auto parts, $22,064,414. In the following year, imports of freight autos were valued at $2,548,823; passenger autos, $22,231,442; and auto parts, $28,625,955. Importation of all iron and iron products increased from $221,000,000 in 1925-26 to $275,000,000 in 1926-27. The increase in this one division is nearly enough to account for all the increase in imports.

Exports Satisfactory

Exports, while not recording an increase in ratio to imports, are nevertheless holding up well. In the fiscal year 1925-26, an important item of export was gold bullion. In that year it amounted to roughly $25,000,000. Last year, except for the occasional bank shipment to New York, gold was retained in Canada and refined at the Ottawa mint. Again we have a slight reduction in agricultural exports, but this is an item subject to periodic fluctuations depending upon production and domestic consumption.

While it is true that our favorable trade balance is decreasing and our credit with our nations lessened in consequence, the situation does not call for any pessimism. If our import trade continues to enlarge we may expect greater revenues from custom duties, which in turn will allow the government to make reductions in income, sales, excise and other taxes. Last year's budget is an example in point. This prospect alone, is of sufficient value to equal, if not offset, a lower credit balance in foreign trade.

Insofar as the internal situation is concerned, the first quarter of the year did not develop any phases detrimental to the continuation of the high level of trade and industrial activity, which has been experienced since the summer of 1925. The dollar volume of business, employment, manufacturing output, automobile production and other important indices of business; have not been unfavorable. Iron and steel production has not shared in the general activity to the same extent as allied industries, but it is anticipated that with the commencement of spring operations, the output of these products will swing into line.

Building Outlook Exceptional

Demand for construction of commercial premises is bound to continue in volume corresponding to the tendency of general business, which has been on the upgrade. This tendency will also stimulate the construction of residential premises and industrial expansion. In addition the various governments have appropriated, or have on the agenda, large sums of money for public works, more particularly highways and bridges. The railways have also signified their intention of making extensive outlays on property improvement, extensions, branch lines, etc. The carrying out of this schedule of proposed work will provide an active demand for structural steel, bricks, lumber, cement, hardware and other building materials, which in turn will make itself felt by way of greater employment and consequent increase in distribution of wages.

The volume and value of building already undertaken augurs well for the balance of the year. In all Canada during the month of March, contracts were awarded to the value of $17,465,900, while for the first quarter the total is $53,704,600. This exceeds the value of the corresponding quarter of last year; in fact, it is greater than for any similar period since the record year of 1914. Moreover, reports on proposed construction during the first three months presage $208,132,800 worth of work to be undertaken this year. This is exceptionally large and is $93,000,000 ahead of the figures for the same period a year ago.

Commercial Failures Less

Another good sign is to be seen in the government report on commercial failures. In the first two months of the current year, cumulative total of bankruptcies was 334, a slight increase over the same two months of 1926, but less than in any of the preceding four years. The defaulted liabilities were $4,712,944, as compared with $5,224,196, $3,981,971 and $10,056,618, for the same periods in 1926, 1925 and 1924. Thus defaulted liabilities show a considerable decline in this period.

Mercantile reports show the same even tenor of tone as in previous weeks. Merchandise is moving freely in all sections and spring lines are now in demand. It seems to the general consensus of opinion that the volume of sales will aggregate more than they did last year which was considered well above the average. Furthermore there appears to be a greater turnover of the better quality goods, which are being bought with less regard to price than was the case in the past five years. Collections are also keeping up strongly, being indicative of the easier credit situation as a result of the larger revenues resulting from last year's operations.

Record Car Loadings

In line with the general progression of business, revenue freight loadings are registering substantial increases over last year. The railways have found traffic in greater volume and are able to keep the greater part of their equipment in constant use. In the week ended March 26 last, loadings totalled 62,840 cars, an increase of 522 over the preceding week and 6,332 in excess of the same period in 1926. Cumulative totals for the first twelve weeks of the current year are 728,621, as compared with 662,388 last year. When it is remembered that revenue freight in 1926 was the heaviest ever handled, the showing made to date is highly encouraging and may be taken as an indication of the general upward swing occurring in practically every phase of Canadian business.

Montreal Apartments is Making Substantial Profits

From Our Own Correspondent.

MONTREAL.—The Chateau Apartments, in Montreal, which is owned and operated by the Montreal Apartments, is completely occupied, and all its space is under the lease. The investment interest in the company lies in its issue of bonds. It is understood that, despite the hesitancy in the market for apartments in Montreal, there is a waiting list from which the company will readily be able to let vacancies as they occur. Thus, the earnings from the property are substantially in excess of the bond interest requirements. The leases under which the building is rented run from a minimum of two up to five years; three-year leases being the average.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Last Year	To Date This Year	Last Year
Production—(February)—				
Pig iron, tons	50,695	49,746	102,412	106,390
Steel, tons	55,620	53,157	114,171	121,693
Newsprint, cwts.	150,773	135,663	312,497	275,351
Automobiles	18,655	18,838	34,031	30,619
Boots and shoes, pair (Jan.)	1,407,163	1,148,198	1,407,163	1,149,198
Flour, bbls. (Jan.)	1,496,000	1,422,000	1,496,000	1,422,000
Construction—				
Contracts awarded (Mar.)	$$17,465,900	$19,779,000	$53,704,600	$45,926,000
Building permits (Jan.)	$5,429,299	$ 4,719,534	$ 5,429,299	$ 4,719,534
Labor—Employment index (Mar.)	96.3	91.5	....	....
Transportation—				
Car loadings (to Mar. 26)	62,840	56,518	728,621	662,388
C.P.R. gross (Feb.)	$13,367,502	$12,613,007	$27,802,871	$26,083,139
C.P.R. net (Feb.)	$ 1,968,198	$ 1,905,930	$ 3,478,433	$ 3,706,889
C.N.R. gross (Jan.)	$19,207,035	$18,337,076	$39,375,294	$37,038,230
C.N.R. net (Jan).	$ 1,424,242	$ 1,423,573	$ 3,458,596	$ 3,151,955
Population—				
Immigration (Feb.)	5,521	4,396	9,685	6,720
Trade—				
Imports (Feb.)	$74,706,654	$70,908,980	$153,512,654	$140,644,980
Exports (Feb.)	$75,533,607	$87,634,147	$150,799,607	$173,350,147
Imports of key products (Feb.)— —				
Rubber, lbs.	5,869,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	12,278,000	19,209,000	21,278,207	19,209,000
Sugar, $	2,427,990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	31,052,000	38,332,000	52,222,000	38,332,000
Coal, tons (Jan).	1,652,996	1,209,261	1,562,996	1,209,261
Exports of key products (Feb.)—				
Newsprint, (cwt.)	145,263	128,964	304,129	272,003
Automobiles (pass.) (No.) (Jan.)	5,296	3,760	5,296	3,760
Wheat, bus.	11,421,705	14,073,853	.....	27,271,853
Wheat Flour, bbl.	748,499	841,681	....	1,558,412
Finance—				
Failures, number (Jan.)	143	144	334	328
Failures, liabilities, (Feb.)	$2,086,652	$2,836,409	$4,712,944	$5,224,196
Bank debits (Jan.)	$2,293,076,943	$2,131,219,922	$4,912,076,943	$4,499,219,922
Bond sales (Feb.)	$22,266,471	$121,688,799	$74,119,629	$155,033,502
Stock prices index (Mar. 26)	....	....	267.7	171.1
Insurance sales (Jan.)	$36,820,000	$33,600,000	$36,820,000	$33,600,000
Wholesale prices (1913-100)—February—				
General index				
Pig iron	....	....	150.1	162.0
Cotton	....	....	144.4	146.8
Grains	....	....	116.6	174.5
Cattle	....	....	157.7	166.7
Rubber	....	....	102.9	106.1
	....	....	60.0	95.9

LUMBER EXPORTS FROM B.C. REACH 700 BILLION FEET

Panama Canal is Factor in Building Trade for Coast

From Our Own Correspondent.

VANCOUVER.—British Columbia is steadily extending the overseas markets for its forest products, and last year showed the most notable advance in a long period. Never before has the province's lumber exports even approached the 1926 figure.

The total shipments for the year were roughly 715,000,000,000 feet, as compared with 577,000,000,000 feet in 1925, and 188,000,000,000 feet five years ago.

U.S.A. is Heaviest Buyer

The United States continues to be the heaviest buyer of lumber from British Columbia, notwithstanding the enormous production of its own forests, especially in the northwest. British Columbia sold more than half its lumber exports to the United States, approximately 400,000,000,000 feet to be more specific. Japan was a poor second, with 177,000,000,000 feet as its year's purchases, but those two countries are away out in front of the rest of the field.

Japan leapt in front as a customer of British Columbia's lumber industry shortly after the war, and for a few years Japan's buying was on an even greater scale than that of the United States. In 1921, for instance, Japan bought 52 billion feet in this market, as compared with 25 billion bought by the United States—more than twice as much. But in the following year the United States went ahead and it has maintained its supremacy ever since, with Japan holding second place.

Use Canal in Big Way

The United States made itself felt for the first time as a dominant factor in the export trade in 1923, when its purchases leapt from 83 billions to 248 billions, most of the shipments going by way of the Panama Canal to the Atlantic seaboard. This route has been developed extensively ever since and it is probable that during the present year 500 billion feet of lumber will go from the mills of this province to the consuming centres of the Eastern states by way of the water route.

FACTORY HEATING GROWS AS FIELD FOR GAS REVENUE

Gas Companies Increase Their Sales to Different Manufacturers

The large increases in gas sales registered by the manufactured gas industry in the past ten years will shortly be overshadowed and eclipsed when the effects of the volume of business lying in the industrial heating field is felt, according to Alexander B. Macbeth, president of the American Gas Association.

The industrial heating business will come to the gas companies because of the efficiency of gas fuel, Mr. Macbeth claims. In addition, he feels that more and more stress is being laid on the indirect costs of using crude fuels, such as storage of fuel, danger of shortage, spoilage of product by smoke, soot or smell.

"The half-million dollar research fund of the gas companies to develop this business will serve to strengthen sales arguments for gas," Mr. Macbeth says. "The development of furnaces and equipment of high efficiencies will do much to make the utilization of gas imperative in the modern factory that must turn out a quality product at a competitive cost.

Claims Greater Efficiency

"Demonstrations of the efficiency of manufactured gas show that one million British thermal units of manufactured gas will do the work of 1,100,000 to 2,000,000 units of oil, 1,500,000 to 2,000,000 units of coal fired in a producer, and 1,500,000 to 4,000,000 units of coal or coke used in the solid form."

Citing two fields, ceramic and brass melting, Mr. Macbeth gives the following information concerning their development:

"The possibilities of gas in two branches of the ceramic field have been studied. These branches are enameling and pottery, the making of chinaware, sanitary ware, floor and wall tile, electrical porcelain, and terra cotta. In the enamelling branch. gas furnishes about five per cent. of the fuel consumed thereby, coal 81 per cent., coke five per cent. and oil nine per cent., the volume of gas consumed being 1.6 billion cubic feet annually. Should gas be used exclusively in those plants to which it is now available, it is calculated that the annual consumption would reach 30.6 billion cubic feet, a potential increase of twenty-nine billion cubic feet annually.

In Pottery, Gas Leads

"Similarly, in the pottery branch, gas furnishes about 22 per cent. of the fuel consumed, coal 75 per cent., coke less than one per cent., and oil about two per cent. This represents 10.2 billion cubic feet of gas annually. The annual consumption, should those plants which have an available supply of gas accept it as their fuel exclusively, would reach 44.2 billion cubic feet.

"There are in the United States some 3,312 brass foundries, of which 1.421 devote themselves exclusively to this alloy and 1,891 represent plants which have a brass foundry as one of their departments. Seventy-three per cent. are located in 745 cities or towns where manufactured gas is supplied, 15 per cent. in 214 cities or towns where natural gas is supplied, and the remainder, or 12 per cent., have no gas available."

"The estimated annual output of these foundries is 300,000 tons and of the fuel consumed only about 1.6 per cent.—from the calorific standpoint—is gas. Coal is used to the extent of 71.4 per cent., coke 10 per cent. and oil 17.1 per cent.

"On this basis, it is calculated that should gas be used exclusively, it would require 2,400 million cubic feet of manufactured and 270 million cubic feet of natural gas annually. The present consumption is 40 million cubic feet of the manufactured and 4½ million cubic feet of the natural, leaving the potential annual gain for the manufactured gas as 2,360 million cubic feet and for the natural gas 265½ million cubic feet."

McLurg is Optimistic for Steel Industry

From Our Own Correspondent.

SYDNEY.—That the steel industry of the east should benefit materially by the better business conditions throughout Canada, is the statement of J. E. McLurg, vice-president of Besco.

Mr. McLurg says that the promised freight rate reductions under the Duncan plan will have a beneficial effect upon both coal and steel.

It will help the latter particularly by providing cheaper transportation of raw steel between Sydney and Trenton, and of finished products between Sydney, Trenton and Upper Canada.

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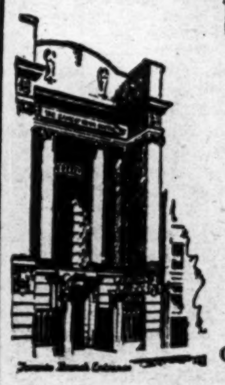

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Canada and its American Branch Plants

By FLOYD S. CHALMERS

FOURTH ARTICLE.

WHY KELVINATOR CAME TO CANADA.

We have been discussing in this series of articles a large number of questions relating to the establishment of United States branch plants in Canada, but without getting down to one important question:

At what point does it become profitable for an American manufacturer to establish a branch in Canada?

This is a definite question that does not admit of a definite answer; an answer that would apply to every company. It is like asking what proportion of an investor's funds should be put into Victory bonds or what is a fair commission to pay a salesman? Pure theory will not provide an answer to any one of these questions. It depends on circumstances in each case.

Experience of Kelvinator of Canada

But we find some basis of study by taking one individual company that has established a branch plant in Canada and considering the steps that led up to this action. We have in mind Kelvinator of Canada, manufacturers of electrical refrigeration machinery. The company is a manufacturer of a specialty, is in a new and rapidly growing field, has recently come to Canada and while a direct subsidiary of the American company, has a large number of Canadian shareholders.

The establishment of a Canadian plant of Kelvinator Corporation was the logical development of a policy of building distribution across the continent, area by area. Kelvinator, the electrical refrigeration machine for home use, was, in reality, perfected in 1914. The company made no attempt to establish a sales organization outside of the Detroit area until after the war. The success of its sale at that time led it to expand beyond the Detroit and Michigan area and for two or three years the company was too busy trying to cover an ever-increasing proportion of the American market to consider Canada at all.

Canadian Subsidiary Formed

But Canada, and particularly Ontario, with the province's over half a million wired homes, could not be overlooked and in May, 1924, a representative came to Toronto and proceeded to create a new sales organization for the city. When this had been completed, a sales organization to cover the province of Ontario was created, and at the end of two years these organizations, still units of the American company, had reached such importance that it was decided to organize a Canadian subsidiary company. It was also decided to establish a branch plant in Canada and the $800,000 of capital that was necessary was largely raised in Canada, through the sale of preferred stock. Some 1,600 Canadians purchased this stock which was guaranteed by the American company. The Canadian subsidiary company was given control of sales throughout the British Empire and in some other countries, where tariff rulings were such as to make it profitable to ship from Canada. The value of this tariff arrangement is shown by the fact that the sales budget for 1927 provides for sales outside of Canada more than twice as great as the sales expected within the country.

Country-Wide Sales Organization

At what exact point did it become possible for Kelvinator to manufacture in Canada? That point was when it was decided to build a sales organization to cover the whole country, for this decision gave the company assurance of a production sufficient to reduce the cost below the cost of units produced in Detroit, plus the duty on such units coming in Canada.

Even now the complete Kelvinator is not manufactured in Canada. It is still more profitable to manufacture parts of the machine in the United States.

The cabinets, for instance, are manufactured in Canada. To bring them over from Detroit would mean adding 30 per cent. duty to the American cost. Cabinets are not the sort of thing that benefit tremendously from mass production and so it is possible to produce them in Canada at less than it would be possible to bring them in. The freezing unit is made in Canada. So are the radiation coils. Copper tubing can be brought in from the United States—it is not made in Canada—by the payment of 10 per cent. duty. To turn the tubing into coils immediately brings them into the 30 per cent. duty class. It is far cheaper to bring in the tubing and manufacture it into coils in Canada. The electric motors and the compressors are brought in from Detroit. There is a duty of 27½ to 30 per cent. on these items. But the number of these intricate mechanisms required for the Canadian Kelvinators is, as yet, not large enough to warrant their being made in Canada. As Kelvinator increases its Canadian production, it will find it possible to concentrate the production of an even larger proportion of its total units within Canada.

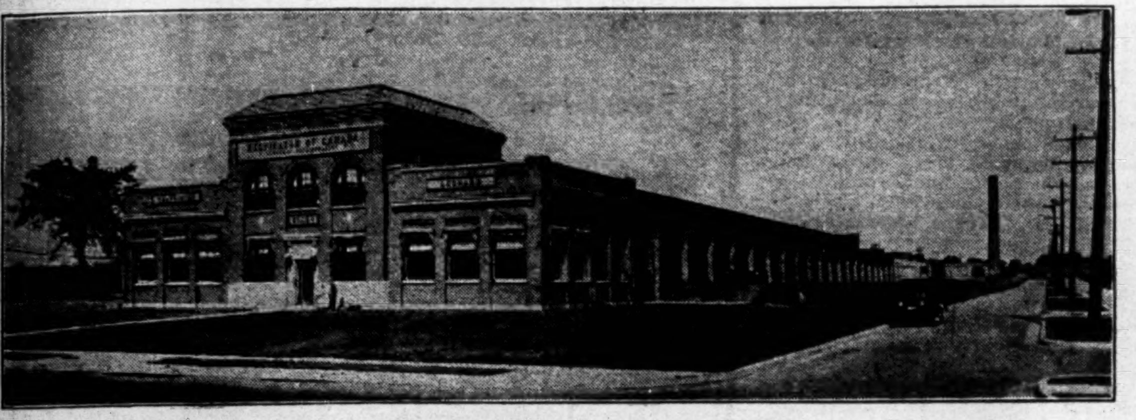
Difficult to Find Exact Point

The example of Kelvinator is enough to show the difficulty of demarking the exact point at which it becomes profitable to establish a Canadian branch plant.

Obviously, Kelvinator of Canada, in addition to effecting certain savings in the tariff by manufacturing in Canada, gains in other ways from its Canadian branch plant. If 1,600 Canadian shareholders represent an asset of tremendous importance in fostering sales and goodwill; the constant references to the company in Canadian investment and financial papers, references that would not be made if there were no stock interests of the company in Canada, also serve to win for it much publicity of a constructive character.

Kelvinator of Canada controls sales of Kelvinators throughout the British Empire, and some other countries. The company has not yet made a thorough survey of all export markets and is not in a position yet to define exactly all the advantages that might accrue in various markets by exportation from the Canadian rather than the American plant. But it is rather significant that the British Empire market was allotted to the Canadian plant without more than a modest study of comparative advantages. Many concerns apparently have adopted this practice.

The export market has already proven of some value to Kelvinator of Canada. Recently the company received an order for 2,500 Kelvinator units to be supplied to 2,500 ideal homes being erected on the Eden Park Estate, Beckenham, Kent, England. All of these Kelvinators, it is understood, are being manufactured at London, Ontario.



Canadian branch plant of Kelvinator Corporation at London, Ontario, established as soon as Kelvinator of Canada achieved nation-wide distribution.

Ontario Secretaries to Open Own Branch During Month

The twenty-first of April will be the red letter day for Ontario company secretaries, according to the plans announced last week by the Chartered Institute of Secretaries Students' Society. The Ontario branch of the society will be officially opened in Toronto on that date. This branch of the society received its charter about a month ago, and now belongs to the parent association which dates back to 1891, and numbers among its members many of Britain's most illustrious names. The president of the Ontario society is Sir Robert Falconer.

Although the society has only been active for a month or so, branches have been organized in Toronto, Hamilton and London, and student meetings are being held in the two former cities. Last week the Toronto branch met to hear W. R. Houston, secretary of the Toronto Stock Exchange, give a lecture on the "Functions and Operations of the Toronto Stock Exchange." The members assembled on the floor of the exchange and learned something about the ins and outs of that organization. The society is endeavoring to arrange for courses of instruction to be given at both the Toronto and Western Universities, next fall. Such courses, if arranged, would give the student members an opportunity to get definite instruction in the subject matter of the examinations leading to the degrees of the society.

Dollar Volume of Business In February Makes Advance

The dollar volume of business in Canada during the second month of the current year, as represented by bank debits, showed a substantial increase over the same month of 1926, largely owing to general increases at the clearing house centres of Ontario and Quebec. The total reported by the Canadian Bankers' Association was $2,293,000,000, as compared with $2,132,000,000 in February, 1926, representing an increase of 7.5 per cent. After adjustment for seasonal variation according to the experience with bank clearings for twelve years, the increase over January was about 3 per cent.

Each of the 15 centres of Quebec and Ontario showed increases in February, as compared with the corresponding period a year ago. On the other hand, each of the centres of the Maritimes experienced declines. In the Prairie Provinces, Prince Albert, Saskatoon and the branches of the Weyburn Security Bank showed increases, while declines occurred at the remaining centres. In the Pacific area, declines were also shown by the two principal centres.

U.S. COAL STRIKE SHOULD INCREASE N.S. PRODUCTION

Just as British Strike Was Help to Cape Breton Mines

From Our Own Correspondent.

SYDNEY.—The walkout of the American miners at midnight, March 31, continues the remarkable run of good luck which has attended the operation of the Besco collieries ever since the company and the men decided to adopt the Duncan coal report and thereby suspended the hostilities which started in 1922 and by February, 1926, had brought the Nova Scotia coal industry to the verge of ruin.

It may have been a co-incidence that the British coal strike came along in the wake of the agreement and kept the mines busy all summer and all winter, but it was the Duncan peace and nothing else that enabled the operators to devote all their time to selling the coal and the miners all theirs to digging it.

Were Saving Their Money

Just how shaky the whole situation has been regarded up to the last few days is indicated by the fact that miners throughout the district were hoarding their money and making as few current expenditures as possible with an eye to the possibility that if the American strike failed to materialize there might be a very quiet summer in the island collieries. True, the domestic market had been improving for some time, but the men were by no means satisfied that the bonanza conditions of last fall and winter could continue.

It will be noted that a recent optimistic statement on the coal industry by vice-president J. E. McLurg was not issued until the American strike was practically an assured fact. Mr. McLurg's forecast is that a new production record will be set in 1927.

Apart from immediate employment, the U. S. strike is also assisting Nova Scotia by helping to carry the local industry forward over the period that must elapse before the coking plants subsidized by the Federal government can be built.

When these have been completed and are in operation, it is believed by competent observers that the Nova Scotia coal industry will be at last solidly on its feet and no longer subject to the whims of foreign competition and strikers.

Under the terms of the coke plant legislation (proposed) at least 3,000,000 tons of Canadian coal will be required annually. If even half of this comes from Nova Scotia, it will be sufficient to stabilize the output to such an extent that winter unemployment, hitherto the most formidable problem, will be largely eliminated. As the processes of extracting by-products are improved, it is expected that the position of the industry will become stronger and stronger.

Better Oven in Sight

Finally, if important claims now being put forward of a new English coking process prove substantial, a still further improvement can be expected, for by this method from each ton of coal there is obtained 20 gals. of oil, 3,000 cubic feet of gas, and 14 to 15 cwt. of a new smokeless fuel suitable for both domestic and commercial use which can be sold as cheaply as 20 shillings a ton.

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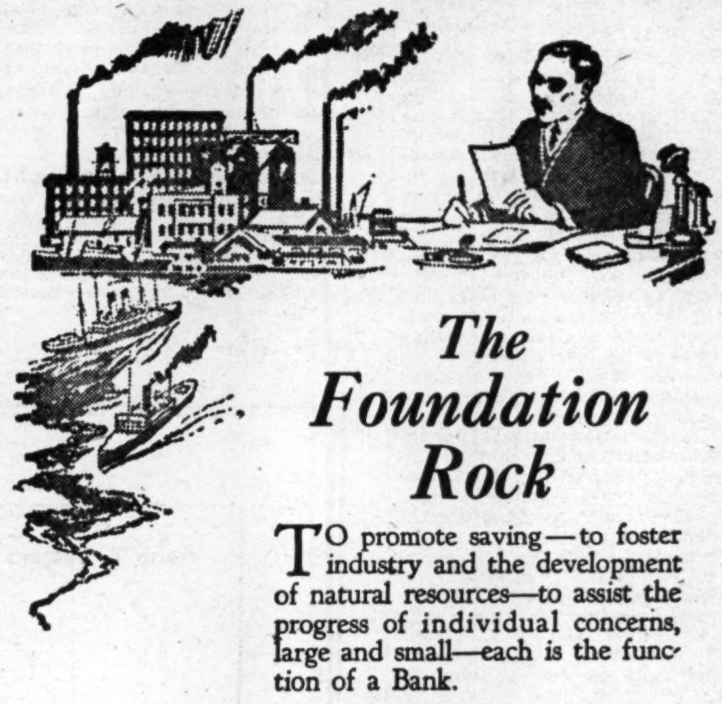

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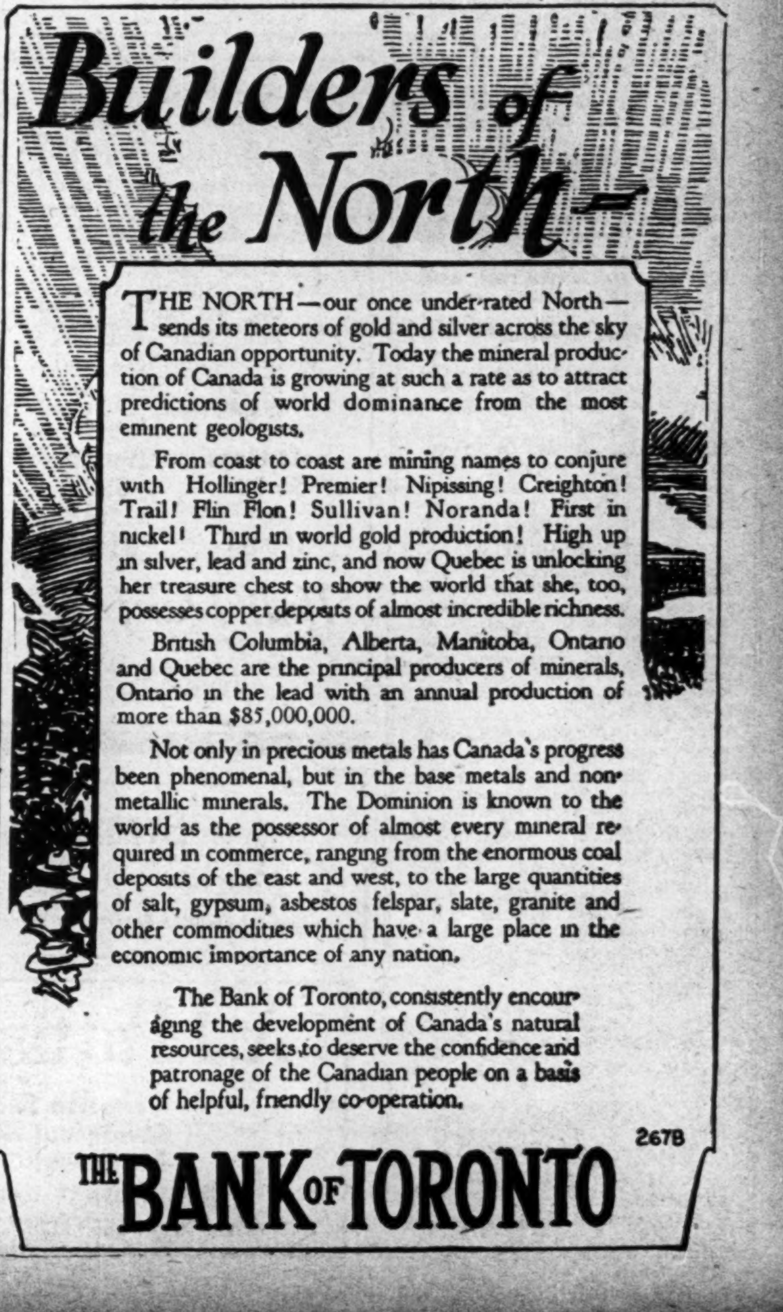

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WESTERN GROCERS INCREASES PROFIT BY FEW THOUSAND

Working Capital of Wholesale Shows Reduction Over Previous Year

Western Grocers, Ltd., in 1926, had net income from operations of $155,253, compared with $140,912 for 1925. There was a slight decrease in working capital, the item dropping from $1,539,514 at the end of 1925 to $1,520,831 at the end of 1926. Current assets as shown on the latest balance sheet total $3.534,720 and current liabilities $2,013,889. These figures compared with $3,310,176 current assets at the end of the previous year and $1,770,662 current liabilities on that date. Secured banks loans are now $1,478,000, compared with $1,349,500 the previous year and $1,24,500 in 1924. There was a decrease in the inventory for 1926, but a corresponding increase in bills receivable.

The report of the president, W. P. Riley, points out that all the properties of the company are clear of encumbrance except an unmatured mortgage of $65,000 on the Vancouver property. The surplus of assets over liabilities (other than liabilities to shareholders) is $2,463,759, which gives the preference shares an equity of $206 for each $100 par value. On the basis of par for the preferred shares, the common now have assets valued at $75 back of them.

Pay Dollar on Common

Dividends of 1¾ per cent. on the preferred shares are being maintained by the directors and $1 a share has been distributed in the last month to holders of the common. Since the capital readjustment approved by the shareholders a year ago, this company has had outstanding 11,943 shares of $100 preferred and 16,943 shares of common stock of no-par value.

Previously, the capital structure had been $2,388,600 of preferred and $3,000,000 of common of $100 par value.

President Riley in his report says that the company maintains a premier position in the grocery trade in the West, with the outlook for 1927 excellent because of the improved business conditions throughout the territory served.

Western Grocers, Ltd., as a wholesale grocery company, with head office in Winnipeg and branches in Brandon and The Pas in Manitoba; Moose Jaw, Saskatoon, Yorkton and North Battleford in Saskatchewan; Lethbridge and Edmonton in Alberta; Cranbrook, Nelson and Vancouver in British Columbia and Port Arthur and Fort Frances in Ontario.

Profit and Loss

	1926 $	1925 $	1924 $
Profits	155,252	186,578	63,680
Writ. off delivery, etc.	16,024	15,461	17,273
Writ. off bldgs.	15,308	14,605	14,499
Income tax	8,721	18,375	9,769
Depreciation	.....	14,499	....
	40,053	62,940	41,541
Net profits	115,199	123,638	22,139
Pref. dividends	83,601	.....	....
Surplus	31,598	123,638	22,139
Prev. surplus	155,283	31,645	9,505
Special reserve	59,715	.....	....
P. & L. bal.	246,596	155,283	31,644

Stock Market Record—

	Common High	Common Low	Preferred High	Preferred Low
1926	34½	24	80	62
1927x	29	20	84	74¼

x To April 4.

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NATIONAL BRICK EARNINGS ARE LESS THAN DIVIDENDS

Deficit for Past Fiscal Year Amounts to $28,000

From Our Own Correspondent.

MONTREAL.—Once again the annual report of the National Brick Company of Laprairie reveals that its earnings were insufficient to meet the preferred dividend requirements which, while paid, only served to reduce further the balance at the credit of surplus account. The income figures and working capital figures over the past three years compare as follows:

Year ending Feb. 28

	1926-27	1925-26	1924-25
Op. earn.	$265,122	$259,507	$254,324
Renewal res.	50,000	50,000	50,000
Balance	215,112	209,507	204,324
Inc. tax	9,266	21,788	21,106
Balance	205,846	187,719	183,218
Bad D. res.	......	......	1,312
Net profit	205,846	187,719	181,906
Pfd. divds.	233,772	233,772	100,188
Surplus	*27,926	*46,953	81,718
Prev. surp.	267,628	313,681	231,963
P.&L. bal.	239,702	267,628	313,681

*—Deficit.

Working capital figures:

	1927	1926	1925
	—As at end of fiscal year.—		
Curr. assets	$436,475	$447,421	$455,144
Curr. liabs.	58,506	56,471	53,239
Net w. cap.	377,969	390,950	401,905

Changes in the company's current assets and current liabilities are shown in the foregoing figures, which include a drop in the cash on hand from $31,735 at the close of the preceding year to $3,842 in the present exhibit. Property account is carried on the books at a figure of $5,470,289—an increase of some $14,000. Other changes in the balance sheet were of a minor character.

Remarks of President

The remarks of Hon. C. C. Ballantyne, the president, are in part as follows:

"Sales and profits of your brick company show an improvement over the previous year and the prospects for 1927 are such that we look for increases in both sales and profits.

"Output and sales of your Hollow Tile (Terra Cotta) plant was larger than the previous year, but very unusual, keen competition from outside, at selling prices which were considerably below cost of production, resulted in profits in this line showing a considerable falling off as compared with previous year.

"Your directors are pleased to report, however, that improvements have been made during the past year that will mean considerably lower cost of production and we fully expect that selling prices will be better maintained in 1927 than in 1926, and if these conditions prevail, your Hollow Tile (Terra Cotta) plant ought to show quite an improvement in profits over the previous year.

"Notwithstanding increased demand for brick we regret to state that we were only able to operate your plants to 60 per cent. capacity."

LONG DISTANCE CALLS, NEWARK TO TORONTO, PART OF A GAME

(Continued from page 1)

was told to buy 200 shares of the Breeze stock at $12.50 at once because the stock was going to $15 a share in two days. It was going to be listed on the Curb—sell at $25 in forty days—make $1,000 in a week—let us put your order through now—don't miss this chance to make a big profit—you could use a thousand, couldn't you?—must promise, though, you'll sell when we tell you (this to win confidence)—and so on while the long distance tolls mounted up out of the single dollar paid for the service.

Assets Small; Standing Doubtful

An independent investigation service made a report on the J. R. Smith Investment Company for a Canadian bank. The report showed that it was a small concern with small assets. Smith was a salaried secretary somewhere in Indiana with practically no experience in finance and little money. Another partner was bookkeeper in a Wall Street house. He lost his job when book-keeping machines came in. After that he was connected with a high pressure stock selling house that used "boiler room methods." (This is the phrase used to designate selling of crooked stocks by telephone. Some Canadian crooks have recently taken up the telephone as a high pressure stock selling instrument.)

This investigation states: "Dominating this situation and running under his old methods is John Herck, who has absolutely no standing, either morally, financially, or from a business standpoint."

Such is the independent financial advisory service that was largely responsible for the fiasco in Vickers, that cost Canadian investors thousands of dollars, and that is still carrying on its work among Canadian investors, only having shifted its attack.

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Stock Market

MARKET INDICATOR

20 Industrial Stocks

	High	Low
Week of April 6	93.3	90.3
Week of Mar. 30	94.2	91.2
Month of April, 1926	83.3	77.4

9 Bank Stocks

Week of April 6	$239	$238
Week of March 30	239	238
Month of April, 1926	226	222

10 Public Utilities

Week of April 6	109	106
Week of Mar. 30	107	105
Month of April 1926	94	91

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	3	1	5	9
Paper	3	7	6	16
Steel	11	10	19	40
Foodstuffs	9	15	20	44
Utilities	10	9	10	29
Tractions	7	1	7	15
Textiles	3	6	8	17
Industrials	11	9	31	51
Total	57	58	106	221

MASSEY HARRIS COMMON REACHES NEW HIGH PRICE

Future of Company is Believed to be Bright; Anticipate Early Dividend

Continued strength of Massey-Harris common on the Toronto stock exchange is evidence of the faith which the investing public has in the future of this Canadian company. The old shares have reached $137. The book value of this stock, based on the authorized split of the common into four shares of no-par value is $131.08 per share, or $32.77 for the new shares on the basis of the balance sheet as at November 30th last.

Reports are that the business for 1927 is running well ahead of business at the same date a year ago, with prospects for the remainder of the fiscal year even better than was anticipated. In 1926, the company earned $9.57 the share on the common of $100 par value.

Much of the strength of the common at this time is on the assumption that there will be a dividend declared on the new stock before the year is out. The amount of this dividend may be somewhat less than the more optimistic of the buyers anticipate, but it is believed that the future of the company is excellent and that ultimately the return on the investment will be satisfactory. Buying at present is believed to be for a moderately long hold.

Dodge Bros. Drop in Profits is Due to Readjustment

Recent severe fluctuations in Dodge Bros. common stock has been due, it is stated, to decreased earnings for the first quarter, which were attributable to readjustments in production because of the introduction of the new six-cylinder model.

Sales of the four possibly have been decreased somewhat in certain territories in the last few weeks because persons who normally would become buyers of that model may be holding off to learn details of the new model. In other districts, however, it is said that sales have held up well, although the policy of the company, in its relations to its dealers, indicates that trading-in allowances are somewhat more conservative than usually obtained in other companies.

Taking the long view, it is thought Dodge Bros. stock should appreciate in value. The company's product continues to stand well with the public and the entrance of the company into the six-cylinder field—a field of growing popularity—should increase the opportunities for earnings.

One Big Union Loses Out in Cape Breton Fight

From Our Own Correspondent.

SYDNEY.—In a war of extermination that has lasted for over a year, the United Mine Workers succeeded this week in driving the One Big Union out of Inverness, its last Cape Breton stronghold, and ending the strike there.

It looked for a time as if 600 men would be out of work for the summer, but U.M.W. missionaries converted the great majority of the 300 O.B.U. supporters, and an agreement with the eastern trust by which only U.M.W. members may work in the mines brought in the rest.

The men cannot afford to pay dues to two organizations, so the O.B.U. is done, for the time being at least.

With the tacit consent of Dominion coal, the union has driven the radical forces out of Glace Bay and Sydney Mines and will next tackle Thorburn, on the mainland, where the last Nova Scotia local of the O.B.U. is located.

The O.B.U. is still maintaining an office in Sydney, but it seems to be simply a propaganda centre dependent for support on Winnipeg headquarters rather than on local contributions.

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Government and Municipal

Security	%	Price	Yield
Canadian National Railways (Dominion of Canada Guarantee)	4½%	$97.35	4.70%
Grand Trunk Pacific, Mountain and Prairie Division	4%	80.00	5.37%
Province of Alberta	5%	101.43	4.85%
Province of Ontario	4½%	97.80	4.68%
Town of Jonquiere	5%	100.00	5.00%
City of Paris, France	6%	100.00	6.00%
City of Toronto	5%	102.25	4.85%
Toronto Harbour Commissioners	4½%	96.25	4.78%
State of New South Wales	5%	96.75	5.20%

Public Utility

Security	%	Price	Yield
Bell Telephone Company	5%	102.00	4.80%
Canada Northern Power Corp. Ltd.	6½%	102.50	6.25%
Canadian Pacific Railway	4½%	96.00	4.80%
East Kootenay Power Co., Ltd	7%	106.00	6.38%
Manitoba Power Co., Ltd	5½%	100.00	5.50%
Montreal Tramways	5%	97.50	5.15%
Northern Canada Power, Ltd	6%	102.75	5.75%
Northwestern Utilities, Ltd	7%	102.25	6.75%
Ottawa & Hull Power Co., Ltd	6%	105.00	5.60%
Ottawa-Montreal Power Co., Ltd.	6½%	104.50	6.12%
Ottawa River Power Co., Ltd	6½%	104.50	6.15%
Southern Canada Power Co., Ltd.	5%	99.50	5.05%
Winnipeg Electric Company	6%	101.75	5.88%
Winnipeg Electric Company	5%	100.00	5.00%

Industrial

Security	%	Price	Yield
Aluminum Company of America	5%	100.00	5.00%
Canada Steamship Lines, Ltd	5%	100.25	5.50%
Canada Steamship Lines, Ltd	6%	99.00	6.10%
Manitoba Paper Co., Ltd	6½%	100.00	6.50%
St. Lawrence Paper Mills, Ltd	6%	99.50	6.05%
St. Lawrence Paper Mills, Ltd. Cum. Warrants	6½%	101.50	6.26%

Preferred Stocks

Security	%	Price	Yield
Eastern Dairies, Ltd	7%	$99.00	7.07%
Canada Northern Power Corp., Ltd.	7%	100.00	7.00%
East Kootenay Power Co., Ltd	7%	100.00	7.00%
Ottawa & Hull Power Co., Ltd	7%	100.00	7.00%
Ottawa-Montreal Power Co., Ltd.	7%	50.00	7.00%
Power Corporation of Canada, Ltd.	6%	97.50	6.15%

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Stock Market Record

WEEK ENDING APRIL 5

	Div. Rate	Yield Apr. 4	High for wk.	Low for wk.	Close Apr. 5	Close Mar. 29	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.39	241	240	241	241	189	248	228
Dominion	12+1	5.77	228	225	227	227	86	230	217
Can. Nationale	10	6.06	..	...	...	...	...	165½	160½
Imperial	12+1	5.90	220	219½	219½	220	55	223	214
Montreal	12+2	4.82	290½	287	290	288	142	295	272
Nova Scotia	16	5.06	317	316	316	315	117	321	298
Royal	12+2	5.40	259	258½	259	257	359	266	257
Standard	12	5.91	208½	203	203	203	17	207	196
Toronto	12	5.21	230	230	230	230	51	238½	230
Paper—									
Abitibi, com. (no par)	5	5.49	92	89⅛	92	91	1641	93	82
Do. pref.	7	5.98	..	...	...	...	...	118	113
Belgo-Can. pref.	7	6.88	103	101½	101¾	103	82	103	101
Brompton (no par)	$2	6.25	32	32	32	32⅞	570	35	31
Fraser, pref.	7	7.17	..	...	...	...	...	97½	96¾
Inter. Paper, com.	$2	3.63	56⅞	54¾	56⅞	57	4500	60⅞	53⅛
Laurentide	6	5.82	104½	102	102⅝	104½	2078	110¾	98½
Price Bros., com.	2	3.27	61	60	60	61	490	63	59
Do. pref.	6½	6.37	..	...	...	...	...	104	100¾
Prov. Paper, com.	6+1	5.38	..	...	...	...	...	130	115
Do. pref.	7	6.60	106	106	106	106	10	107	105¼
Smith, Howard, com.	.	...	66	60½	61½	60¼	462	68¼	60
Do. pref.	8	7.27	110	109	110	107	290	110	103½
Span. River, com.	7	6.96	110½	98¼	100½	101½	801	110½	98¼
Do. pref.	7	6.18	113½	113	113½	114	160	116½	112
Wayagamack	$3	6.25	48	47	48	48	245	54¾	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	½	½	½	205	1⅝	½
Do. 1st pref.	.	...	14⅛	13	14	14¾	389	22¼	10
Do. 2nd pref.	.	...	1½	1⅛	1¼	1½	1032	4	1⅛
Can. Car & Found., com.	.	...	40	38½	40	39	120	50¼	39
Do. pref.	7	7.86	89	88	89	89½	355	94½	88
Can. Fairbanks, pref.	6	7.31	..	...	...	...	...	82	80
Can. Fairbanks, com.	.	...	18¼	18¼	18¼	19	25	24	18
Do. pref.	.	...	84	84	84	84	5	85	66
C.G.E., com. (par $50)	.	...	..	...	...	...	...	51	50
Do. pref. (par $50)	7	6.03	58¼	51⅞	58	58	60	59¼	56¼
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.11	..	...	...	...	...	89	85½
Canada Iron, com.	.	...	15	15	15	12	14	15	12
Do. pref.	4	7.27	55	55	55	57	14	57	42
Dominion Bridge	4+2	3.93	154	150	153	152	4360	154	116¾
Dominion Coal	.	...	69	69	69	70	70	75	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	2¾
Dom. Radiator, pref.	7	6.93	101	101	101	100½	5	101¼	100
Dom. Steel Corp., pref.	.	...	20¼	20¼	20¼	20¼	25	25	20
Ford Motor	10	...	..	...	...	...	...	436	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	13½	12	13	14	135	15	9⅞
Do. pref.	7	7.52	93	93	93	93½	30	95	88½
McKin. Ind., c. (no par)	.	...	17	15	17½	18	375	21	15
Do. pref.	7	7.46	94¼	93¾	93¾	93¾	61	95½	93¼
Do. Voting Trust	.	...	17½	15	16	15½	720	18	15
Massey-Harris, com.	.	...	135¼	117	135	117	29304	135¼	67½
Do. (new)	.	...	34	29½	34	29½	35104	34	29½
Do. pref.	7	6.42	109½	100	109½	109	5091	109½	100
Ontario Steel, com.	4	5.26	..	...	...	...	...	78	73
Do. pref.	7	7.00	..	...	...	...	...	102½	100
Page Hersey, c. (no par)	$3	4.61	65	64½	65	65	255	68	55½
Do. pref.	7	5.22	135	130½	134	134	522	138	116
Pressed Metals, com.	.	...	40	39	40	39	68	40	34¼
Do. pref.	7	8.23	..	...	...	...	...	85	85
Russell Motor, com.	3	3.76	..	...	...	...	...	52	52
Do. pref.	7	7.21	97	97	97	97	5	97⅛	91⅛
Sawyer-Massey, com.	.	...	..	...	...	...	...	1	1
Do. pref.	.	...	16	16	16	20	10	22	5
Steel of Canada, com.	7	5.17	134	127	133	128½	3787	134	117
Do. pref.	7	5.18	135	128	135	131	194	136	127
Milling and Foodstuffs—									
Alta. Pac. Grain	.	...	24	21½	21½	22½	145	27¼	21½
Do. pref.	7	7.86	90	89	89	90¼	175	92	87½
Arnolds, com. (no par)	.	...	22¾	21¾	22	22½	1230	36	18
Do. pref.	7	7.90	90	85½	90	90	87	95	84
Atlantic Sugar, com.	.	...	28	24½	27	28	475	30½	24½
Do. pref.	.	...	93½	93½	93½	93½	75	93½	90
B.C. Fishing	5	6.47	81	77	77½	81½	1560	94½	72½
Can. Bak., com. (no par)	.	...	..	...	...	...	...	38½	27
Do. pref.	7	6.93	101	101	101	96	10	101½	98
Can. Bread, c. (no par)	$5	4.76	105	104	105	108	355	116	90
Do. pref. (A)	7	6.36	110	109½	110	115½	15	116	108½
Do. pref. (B)	7	6.36	..	...	...	...	...	112¼	103
Can. Canners, com.	.	...	44	43½	44½	44½	90	44½	21
Do. pref.	4	4.73	84¾	84½	84½	85	432	87½	76
Canadian Salt	8	5.88	..	...	...	...	...	136	123
Christie Brown (no par)	$1.20	3.08	..	...	...	...	...	40½	38
City Dairy, c. (par $25)	$3+1	3.70	111⅞	108½	108¼	100⅝	868	114½	79
Do. pref.	7	5.93	..	...	...	...	...	119	112
Cuban Can. Sugar, com.	.	...	3½	3½	3½	3¼	60	5	2¾
Do. pref.	.	...	35	35	35	34½	50	37	29
Wm. Davies (A) (no par)	.	...	31½	30½	30½	31	366	33	25
Do. (B) (no par)	.	...	..	...	...	...	...	9	9
Dominion Stores (no par)	$2.40	3.33	77	75	75½	76¼	704	77¼	65
Hamilton Dairies, com.	.	...	29	29	29	29	10	33	24
Do. pref.	7	7.44	97	97	97	97	19	98½	96
Inter. Milling, pref.	7	6.63	105½	105½	105½	106	17	107	104
Lake of Woods, com.	12	7.89	152	149¼	150	150	74	160	149¼
Do. pref.	7	6.55	116¾	116¾	116¾	116	5	117	115
Loblaw, com.	$1.25	2.50	50	48	50	48	160	51	48
Do. pref.	7	6.36	110	110	110	107¼	10	110	107
Maple Leaf Mill, com.	.	...	..	...	...	...	...	75	61½
Do. pref.	7	7.00	100	99	99	99	28	101¼	99
Ogilvie Flour, com.	5	2.19	251	245	251	246	93	251	205
Do. pref.	7	5.69	123	123	123	122	20	123	120¼
Pure Gold Mfg. (no par)	$1.50	7.89	21	19¼	19½	21	125	21	19⅛
Shredded Wheat (no par)	$3	4.83	62½	62	62½	63	495	65	55
St. Law. Flour, com.	.	...	..	...	...	...	...	31½	28
Do. pref.	7	8.43	..	...	...	...	...	84	83
Viau Biscuits, com.	.	...	18	18	18	19	4	26	18
Do. pref.	7	8.04	89½	87	89	89	34	89¾	83½
Western Groc., c. (no par)	$1	...	23	23	23	23	36	29	20
Do. pref.	7	6.79	79	79	79	79	15	84	74¼
West. Can. Fl., c. (no par)	1.40	5.83	29½	25	28¾	25	618	29½	22
Do. pref.	6½	6.31	103	103	103	103	50	103	100
Utilities—									
Bell Telephone	8	5.35	149½	147¼	148½	147	716	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.52	181	180	180	181	162	182	171½
East Koot. Power	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.21	..	...	...	...	...	98½	96½
Inter. Util. (A) (no par)	3.50	...	35	35	35	34⅞	10	35	28
Jamaica Pub. Ser., pref.	7	7.03	99¾	99	99¾	100	15	100	97
Laurentide Power	5	4.42	113¼	113¼	113¼	115	45	120	107½
Mackay, com.	7	5.60	124	122	123⅛	121	219	127½	119
Do. pref.	4	5.71	71	69	71	71	198	74	69
Mexican Light, com.	.	...	42	42	42	42½	10	49½	27
Do. pref.	.	...	94¾	94¾	94¾	98½	100	100	77¼
Mont L H & Pr (no par)	$2	2.54	78½	77½	78½	78	5810	78½	68½
Montreal Teleg. (par $40)	8	5.23	49¾	49	49	50	180	50½	49
Nor. Mexico Pr., com.	1	...	58	55	58	58½	210	59	42
Do. pref.	7	8.23	..	...	...	...	...	86	82½
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	28	28
Do. pref.	7	7.29	..	...	...	...	...	99½	96
Ottawa L. H. & Pr., com.	6	6.00	102	100	102	101	9	102	96
Do. pref.	6½	6.19	105	105	105	105	5	105½	102
Quebec Power, com.	6	2.46	244	238	243	238½	2554	244	190
Do. pref.	.	...	41	39	41	40	2340	41	31
Shawinigan	$2	2.59	77¾	74½	77¼	74⅞	5418	77¾	67
South. Can. Pr., com.	2	2.24	89	88	89	88	693	90	85
Do. pref.	6	6.00	100	100	100	100	85	102	100
Transportation—									
Can. Pacific Rly.	10	5.43	185½	184	184	185¼	114	190	166
Can. Steamships, com.	.	...	41	39	41	41¼	790	42	35
Do. pref.	6	6.54	92¼	87	92	88½	10038	92¼	82½
Do. voting	.	...	37	37	37	37	200	37½	32½
Tractions—									
Barcelona (par $50)	.	...	48	46¾	48	45¼	150	48	33½
Brazilian, com.	6	4.51	135	128	132½	127	8070	135	102½
Do. pref.	6	5.09	117¾	116½	116¾	116¾	2828	117¾	104
Detroit Un. Rly.	.	...	3	3	3	3½	15	5	2
Duluth-Superior	.	...	30	25	30	25	221	30	25
Illinois Traction, pref.	6	...	..	...	...	...	...	20	19½
Mexican Tram.	.	...	21	21	21	20	100	21	19¼
Montreal Trams	10	5.55	180	180	180	180	85	180	169
Ottawa Traction	4+1	7.14	70	70	70	70	245	70	64
Porto Rico Rlys., com.	2	2.07	..	...	...	...	...	70⅝	59
Do. pref.	7	7.29	..	...	...	...	...	96⅛	90
Twin City, com.	4	7.01	57¾	56	57	56	1064	66	56
Do. pref.	7	7.00	..	...	...	...	...	100	100
Winnipeg Elec., com.	.	...	68	63⅞	65¾	64	3028	68	60¾
Do. pref.	7	6.86	103	102	103	101¾	70	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	9.19	..	...	...	...	...	50	36
Can. Converters	7	6.94	100⅞	100½	100½	101	170	102¼	100
Can. Cotton, com.	8	6.16	129⅞	129	129⅞	125	25	129⅞	120
Do. pref.	6	6.12	98	98	98	99	2	100	95
Can. Woollens, com.	.	...	..	...	...	...	...	10	5
Do. pref.	.	...	..	...	...	...	...	63½	60
Cosmos Imp., com.	.	...	22¼	20½	21¼	21¾	2301	22¼	13
Do. pref.	7	7.21	97⅞	97	97⅜	97⅞	103	98	91¼
Dom. Textile, com.	5	4.31	116¼	115	115	114½	1848	117¼	105
Do. pref.	7	5.88	121	119	119	120	21	121	117
Monarch Knitting, pref.	.	...	..	...	...	...	...	54	50
Montreal Cottons, com.	6	5.35	112½	112½	112½	112½	10	115	110
Do. pref.	7	5.99	..	...	...	...	...	118	115
Penmans, com.	8+2	4.42	226	225⅞	226	226	186	226	182¼
Do. pref.	6	5.71	105	105	105	102	15	105	101½
Do. com. (new)	.	...	78½	76	78½	...	450	78½	76
Wabasso Cotton	6	6.48	..	...	...	...	...	116	92½
Do. Rights	.	...	16½	15	15½	15¾	8	16½	92½
General Industrials—									
Amer. Sales, c. (par $20)	4	5.47	65	65	65	73	125	75	65
Do. pref.	7	7.00	100	99½	100	99½	78	100	97½
Do. Rights	.	...	6	5	5½	...	131	6	5
Asbestos Corp., com.	.	...	24	21½	24	22	4795	24¾	21
Do. pref.	7	8.00	87¾	92¼	87¾	85½	12643	87¾	82¾
Building Products, pref.	7	7.29	96	96	96	95	20	96¼	93½
Brant. Cord., pr. com.	8	8.33	24	23¼	23½	24	124	25	21
Burt, F. N., com.	12	5.17	58	57½	58	58	351	65¼	56½
Do. pref.	7	3.33	..	...	...	...	...	x210⅛	210⅛
Canada Cement, com.	6	4.16	147	135	142	138	8391	147	124½
Do. pref.	7	5.88	119	117	118	118½	96	120¼	116
C. Ind. Alc. (no par)	1.28	4.80	26⅞	25½	26⅜	26⅛	6583	28	21¼
Canadian Oil, com.	5	3.70	135	134	135	135	9	135	99
Do. pref.	8	6.66	119	118	119	120	40	120⅛	115½
Crow's Nest Coal	6	9.30	64½	64½	64½	64½	20	66½	63½
Dom. Glass, com.	7	6.03	116	113	115½	114¾	3088	116	104
Do. pref.	7	6.25	112	112	112	111¼	25	114½	111¼
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	x87½	80
East Theat., c. (par $25)	.	...	26	26	26	26	29	30	24
Do. pref.	7	7.36	..	...	...	...	...	95	92½
Famous Players, com.	.	...	..	...	...	...	...	30	20
Do. pref.	8	8.24	97⅞	96	97	97	100	101	93¾
Gilman, com.	6	4.91	..	...	...	...	...	x127⅛	104½
Do. pref.	7	5.83	..	...	...	...	...	125	114
Goodyear Tire, pref.	7	6.93	102	100¾	101	101⅞	291	109	94½
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
King Edward Hotel	.	...	41	39	40½	39	544	41	20
Hunts, Ltd., com.	.	...	22	20	22	...	113	22	20
Laura Secord, com.	.	...	31	30½	30½	30½	260	31	29
Do. pref.	7	6.79	104	103	104	104	115	104½	102
Lyall Construction	.	...	..	...	...	...	...	45½	35¾
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	.	...	103	103	103	105	15	105	96½
Nat. Brew., c. (par $25)	4	5.63	71	69	70¼	68½	8523	71⅜	65
Do. pref.	7	6.51	107½	107	107½	107½	60	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	6.54	70	70	70	70	30	81	65
Pacific Burt, com.	6	6.80	87	87	87	87	10	89½	87
Do. pref.	7	6.79	103	102¼	103	103	60	108	102
Port Hope Sanitary, com.	3	2.30	..	...	...	...	...	130	125
Do. pref.	7	6.54	..	...	...	...	...	107	90
Rogers, Wm., com.	.	...	79	76	76	79	80	80	64
Do. pref.	7	7.29	97	96	96	96	23	100	92
Sher-Williams, com.	6	4.00	152	150	150	154½	60	155½	142
Do. pref.	7	5.85	..	...	...	...	...	120½	118
Seagram	.	...	25	22⅝	24½	23¼	7065	26⅞	15
Sterling Coal	4	11.11	..	...	...	...	...	36	36
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref.	7	8.33	82	81	82	84	15	89	80
Tuckett Tobacco, com.	4	5.63	71	71	71	71	30	72	69
Do. pref.	7	6.63	105½	104	104	105½	50	106¼	104
Woods Mfg., com.	.	...	..	...	...	...	...	45	39
Do. pref.	7	8.69	..	...	...	...	...	89	80
Trust and Loan—									
Can. Landed (par $50)	10+1	5.57	..	...	...	...	...	100½	94
Can. Permanent	12	5.42	221	221	221	221	2	221	216¼
Colonial Invest.	6	...	..	...	...	...	...	7	6¼
Huron & Erie	7+1½	5.28	..	...	...	...	...	142	139
Landed Banking	9	5.29	170	170	170	161	25	170	161
Montreal Loan (par $50)	12+1	6.19	..	...	...	...	...	52¾	50
National Trust	12	4.89	250	245	250	242	33	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	7.00	..	...	...	...	...	100	100
Toronto Gen. Trusts	12	5.15	..	...	...	...	...	233	220
Toronto Mtge. (par $50)	10+1	5.39	..	...	...	...	...	102	100
Union Trust	7	6.48	..	...	...	...	...	110	104

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Apr. 4	High for wk.	Low for wk.	Close Apr. 5	Close Mar. 29	Sales for wk.	Range, 1927 High	Range, 1927 Low
Anticosti, pref.	.	...	..	...	...	...	...	98¾	98
Attendu Engine (par $2)	.	...	22	19	19	21	571	35¼	14
Beacon Oil	.	...	17½	16	16	17¼	245	20¾	15¾
Belding, com.	6	8.10	..	...	...	...	...	88	70
Do. pref.	7	7.00	..	...	...	...	...	100	100
Brit. Amer. Oil (no par)	80c	2.96	27	25	26	26¾	15808	27	20
Brew. & Distil. (par $5)	5	...	..	...	...	...	...	5¼	4½
Can. Brewing	.	...	25½	25½	25½	25½	175	30¼	24
Can. Nor. Pr., c.. (no par)	.	...	51	51	51	51	3	52	42
Do. pref.	7	7.07	..	...	...	...	...	99½	98½
Cockshutt, pref.	4	5.40	74	73½	72	73½	225	77	70
Continental Oil	$1	5.26	..	...	...	...	...	22½	19¾
Cosgrave Brew. (par $10)	5	6.66	7⅜	7¼	7¼	7¼	1234	8	7
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	10¾	10¾
Do. pref.	4	...	..	...	...	...	...	50½	50½
Dom. Engineering	8	4.44	..	...	...	...	...	180	135
Dom. Power, pref.	.	...	..	...	...	...	...	101	100½
Dryden Power (no par)	.	...	12	12	12	11	55	15¼	11
Eastern Dairies (no par)	.	...	22⅛	22⅛	22⅛	22½	5	25¾	20
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	16	15
Do. pref.	.	...	..	...	...	...	...	80¼	72½
Good. & Worts (no par)	$1	1.80	60¼	55½	59⅞	55	14215	60¼	43
Hiram Walker	.	...	41	36½	40½	36	19339	42	28½
Illinois Power, pref.	7	7.07	100	99½	99½	99	180	100½	98
Imperial Oil	$1+12½	2.20	45¾	44	44¼	47	14163	47	37¾
Imp. Tobacco, c. (no par)	6	...	6⅞	6⅞	6⅞	6⅞	50	4¼	6¾
Inter. Petroleum	75c	2.42	31⅝	30⅜	31	33	3843	35¼	30⅜
Manitoba Power (no par)	.	...	55¾	55	55¾	55¾	130	58½	50
McColl, com. (no par)	80c	2.63	30	29½	30	30	666	33⅝	29½
Do. pref.	7	6.42	109¼	109	109¼	109	30	109½	100
Mount Royal, com.	.	...	..	...	...	...	...	6	4½
Do. pref.	.	...	..	...	...	...	...	55¾	54
North Star Oil, com.	.	...	2.50	2.40	2.40	2.35	175	2.50	1.15
Do. pref.	7	...	..	...	...	...	...	5.01	1.90
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	25	25	25	22	2	25	18¾
Do. pref.	.	...	..	...	...	...	...	48⅝	47½
Ottawa River Pr. (no par)	.	...	..	...	...	...	...	26	25
Paton Mfg., com. (no par)	.	...	..	...	...	...	...	56	55
Do. pref.	.	...	99	99	99	99	7	100	99
Power Corp., c.. (no par)	.	...	28	27¼	28	...	885	29¾	27¼
Do. pref.	6	6.21	..	...	...	...	...	97½	94
Port Alfred, pref.	7	7.36	..	...	...	...	...	97½	95
Que. South. Pr. (no par)	.	...	..	...	...	...	...	28½	25
St. Maurice Power	.	...	121	119	119	100¼	565	121	96
St. Maurice Val. Corp.	.	...	56	50	56	50	2840	56½	47
Do. pref.	7	...	..	...	...	...	...	98	95
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100½
St. Law. Pap., c. (no par)	.	...	44	48	44	42	65	54	39¾
Do. pref.	8	7.61	105	105	105	106	25	108	105
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R.S.	.	...	1.50	1.50	1.50	1.50	685	1.50	1.50
United Secs., com.	.	...	44	43½	44	45	72	51	43¼
Do. pref.	6	5.76	104	104	104	103½	17	105¼	103½
Volcanic Oil	68c	...	41	40½	40½	39	128	41	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6¼

x Quotations for 1926. No sales recorded in 1927 to date.

The Royal Bank of Canada

Head Office, Montreal

Condensed Statement
to the Dominion Government
February 28, 1927

LIABILITIES

Capital Paid up	$ 27,502,350.00
Reserve Fund	27,502,350.00
Undivided Profits	1,409,674.58
Dividend No. 158, payable March 1, 1927	732,000.00
Notes in Circulation	35,787,131.94
Deposits	600,068,006.72
Due to other Banks	20,897,719.99
Bills Payable (Acceptances by London Branch)	5,085,766.10
Letters of Credit outstanding	29,383,703.58
	$748,368,702.91

ASSETS

Cash on Hand and in Banks	$102,835,910.13
Deposit in the Central Gold Reserves	10,000,000.00
Government and Municipal Securities	98,604,474.58
Railway and other Bonds, Debentures and Stocks	18,762,711.26
Call Loans in Canada	30,345,004.77
Call Loans elsewhere than in Canada	67,463,719.21
	$328,011,819.95
Loans and Discounts	371,801,710.90
Liabilities of Customers under Letters of Credit as per contra	29,383,703.58
Bank Premises	14,621,747.42
Real Estate other than Bank Premises	1,970,194.90
Mortgages on Real Estate sold by the Bank	1,334,526.16
Deposit with Dominion Government for Security of Note Circulation	1,245,000.00
	$748,368,702.91

873 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.

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A REMARKABLE RECORD

In the past three years the aggregate value of the common stocks of five of the more prominent Quebec hydro-electric power companies have increased in market value more than $173,000,000. This represents a capital appreciation of 60% in addition to steadily increasing dividends and valuable rights.

Quebec Southern Power Corporation

55,000 Shares Common Stock
(no par value)

WE RECOMMEND the purchase of the above new issue common stock. It represents an investment in a light and power company whose growth has been steady and secure—serving a territory with a population in excess of 125,000, and one admirably adapted to immediate and continuous increase of light and power use.

The Quebec Southern Power Corporation carries our fullest endorsation as a company whose common stock will appreciate both in capital value and in dividends earned.

Price $27.50 per share
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Return of the Chartered Banks of the Dominion of Canada, February 28th, 1927

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial G ov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due. to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	42,501,223	8,393,280	....	6,107,105	142,088,292	397,282,552	85,517,519	2,504,093	1,423,075	5,967,306	495,254	11,554,520	907,257	905,191	29,916,700	29,916,700	765,480,071	31,175,000	12	834,235	29,405,393	55,031,739	42,501,223
Nova Scotia	14,248,524	1,087,393	....	1,770,148	29,141,316	121,450,767	32,953,950	1,978,229	132,704	1,474,860	564,507	6,791,728	186,998	5,064	19,500,000	10,000,000	241,286,194	15,000,000	16	1,693,181	9,236,613	7,951,038	14,248,524
Toronto	7,489,778	198,107	1,000,000	925,238	26,967,448	57,264,110	....	1,338,181	405,080	1,411,312	1,205,011	1,463,040	205,062	151,364	7,000,000	5,000,000	112,023,735	10,000,000	12	2 520,290	417,218	4,597,771	7,558,295
Provinciale	3,883,913	138,882	....	354,316	5,130,931	32,666,642	....	1,227	....	17,788	....	10,900	38,449	95,962	1,500,000	4,000,000	47,839,014	5,000,000	9	....	197,167	488,972	3,883,913
Commerce	26,141,639	2,573,545	5,000,000	4,651,218	114,580,888	226,640,465	40,206,592	675,679	772,938	12,543,273	1,221,570	13,569,706	....	604,459	20,000,000	20,000,000	489,181,975	25,000,000	12	4,728,328	19,503,000	15,551,000	26,583,286
Royal	35,787,131	1,981,053	10,000,000	5,964,203	123,887,010	284,223,444	173,186,335	1,794,592	534,066	18,569,060	5,085,766	29,383,703	40,666	746,635	27,502,350	27,502,350	746,188,372	30,000,000	12	2,536,278	11,024,845	10,987,005	35,981,140
Dominion	7,266,302	469,644	....	838,082	25,779,563	62,665,907	2,832,831	1,861,658	301,789	1,632,856	199,793	2,780,044	507,420	1,504	7,000,000	6,000,000	120,137,399	10,000,000	12	509,155	2,135,000	4,036,000	7,266,302
Standard	5,979,215	202,168	500,000	679,016	19,916,062	51,363,054	....	1,629,000	173,652	918,271	....	419,163	159,775	4,730	2,900,000	4,823,400	89,667,511	5,000,000	12	128,993	500,928	4,004,868	5,979,245
Nationale	10,987,459	533,219	....	1,185,869	19,516,949	86,544,420	1,371,691	2,259	179,886	581,264	....	906,706	....	139,700	5,500,000	5,500,000	132,949,426	10,000,000	10	535,875	850,486	4,171,345	10,987,459
Imperial	9,673,588	1,038,330	....	4,182,409	27,637,135	66,744,615	....	1,407,493	140,574	411,564	....	719,067	....	4,017	7,500,000	7,000,000	126,458,798	10,000,000	12	168,000	1,016,439	4,803,833	9,747,310
Weyburn Security	610,312	54,609	....	26,955	1,879,763	2,763,041	....	....	....	22,784	....	....	....	926	225,000	524,560	6,107,952	1,000,000	5	110,648	26,282	49,584	671,645
Total	164,569,084	16,670,230	16,500,000	26,684,559	536,525,357	1,389,609,017	336,068,918	13,192,411	4,063,764	43,550,338	8,771,901	67,598,577	2,045,627	2,659,552	128,544,050	120,267,010	2,877,320,447	152,175,000	......	13,764,983	74,313,371	111,673,155	165,408,342

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal°	29,382,431	52,384,469	3,646,980	735,014	22,135,147	96,981	18,980,968	81,622,346	27,457,235	4,229,435	13,945,256	163,692,807	225,996,735	56,107,072	20,568,146	2,174,908	779,955	1,060,173	11,800,000	11,554,520	1,420,787	18,000,000	1,590,873	482,207	769,844,454
Nova Scotia	9,245,769	7,514,406	1,116,125	2,049,355	9,690,366	355	2,977,112	28,965,321	11,066,703	13,500,739	23,836,597	12,171,947	73,043,942	23,148,071	4,583,602	664,971	40,112	95,975	7,206,423	6,791,728	488,026	4,500,000	....	156,392	242,854,047
Toronto	427,990	4,545,555	573,665	65,351	6,150,378	....	1,020,953	17,426,103	3,021,813	3,990,619	8,473,786	....	56,948,400	....	2,171,003	143,630	....	194,780	3,341,881	1,463,040	256,775	3,055,866	....	....	113,271,595
Provinciale	208,717	456,708	621,890	83,786	1,463,188	3,204,146	211,496	6,670,729	2,097,867	4,219,176	8,335,644	....	15,900,177	....	1,748,804	136,253	489,201	100,824	1,840,538	10,900	158,400	....	....	193,141	48,151,595
Commerce	12,656,424	12,222,491	2,447,110	957,177	18,423,922	1,806	16,853,149	48,682,073	28,143,475	9,988,416	26,500,885	33,078,180	184,834,778	34,050,210	18,773,968	1,877,100	2,151,865	1,083,959	11,734,359	13,569,706	1,000,000	11,000,000	1,762,232	333,995	492,127,291
Royal†	11,044,459	19,373,868	3,855,329	16 242 370	29,883,017	3,393	22,433,470	70,927,333	27,677,141	18,762,711	30,345,004	67,463,719	192,533,162	167,413,733	6,848,101	2,558,650	1,970,194	1,334,526	14,621,747	29,383,703	1,245,000	10,000,000	1,934,975	513,087	748,368,702
Dominion	2,142,246	4,708,153	1,080,460	152,992	5,167,119	695	1,485,007	16,660,012	4,398,151	2,339,561	8,833,172	3,432,303	57,703,838	2,022,053	724,480	260,657	34,062	37,350	5,724,310	2,780,044	310,000	1,300,000	....	372,119	121,668,796
Standard	506,032	3 399,345	540,825	47,767	4,937,235	....	713,226	9,811,511	2,895,759	3,037,409	15,298,828	....	40,149,468	....	1,821,932	462,959	315,243	262,666	3,712,801	419,163	250,000	1,400,000	....	92,361	90,124,538
Nationale*	930,396	3,639,259	1,559,560	168,039	3,562,924	1,007,991	707,009	22,188,418	9,904,645	1,391,205	7,031,564	....	57,289,439	1,370,263	8,361,356	192,351	1,262,061	941,036	5,507,380	906,706	281,035	5,500,000	....	326,217	134,028,864
Imperial	1,033,768	6,531,780	991,151	172,005	5,346,079	663,628	2,393,887	15,971,618	9,122,727	46,387	10,996,221	5,000,000	52,384,146	....	6,710,952	411,286	580,237	582,609	4,940,043	719,067	335,221	3,004,466	....	380,175	128,317,463
Weyburn Security	26,553	46,100	23,875	2,298	35,981	930,088	24,503	1,039,777	9,314	274,741	....	300,000	2,224,003	300,000	4,281	43,682	175,344	140,777	249,718	....	27,532	200,000	....	70,763	6,149,339
Total	67,604,785	114,822,134	16,456,970	20,676,154	106,795,356	5,909,083	67,800,780	319,965,241	125,794,830	61,830,399	153,596,957	285,138,956	959,008,088	284,411,402	72,316,625	8,926,447	7,798,274	5,834,675	70,679,200	67,598,577	5,772,776	57,960,332	5,288,080	2,920,457	2,894,906,684

**Of this deposit, $26,910,333 is in gold coin; the balance is in Dominion notes.

°The business of the bank in Paris, France, and in San Fancisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement. Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

*The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, MARCH 29, 1927.

N.S. STEEL PAYS INTEREST CHARGES ON BOND ISSUE

Annual Report Shows Loss in Year But Stronger Financial Position

From Our Own Correspondent.

MONTREAL.—The Nova Scotia Steel and Coal Company has deposited funds to meet the interest payments on its first mortgage bonds which fell due January 2, 1927. The company is allowed a period of three months' grace in which to meet the interest on its first mortgage bond issue before the bondholders can take action. The interest on the debenture stock which fell due on January 2, 1927 is still in arrears, but the Nova Scotia Steel and Coal has six months grace to meet the interest requirements of this issue. It will be recalled that the Nova Scotia Steel and Coal first failed to meet the requirements of either issue in July, 1926. But since that date it has always deposited funds prior to the date on which the bondholders or the debenture holders could take action.

Both issues are secured by a mortgage on the property and, thus, had not the Nova Scotia Steel and Coal met the interest due on January 2, the bondholders could have taken immediate action to foreclose their mortgage.

The annual report of the Nova Scotia Steel and Coal Company and its constituent companies shows that the company made an operating profit during 1926 of $346,380, as compared with an operating deficit in 1925 of $498,634. The deficit in the preceding year was due to the strike.

After meeting its bond interest, the company and its subsidiaries, during 1926, experienced a deficit of $218,863, added to which there was a depreciation allowance of $300,000, making a total loss on the year's operations of $518,863. Thus, in the consolidated balance sheet, the surplus account now standing in the liabilities has been reduced to $730,103.

Despite the thin times through which the company has been passing, it has been able to maintain itself in a satisfactory liquid position, with current assets totaling $3,039,999, as against current liabilities of $851,011. The foregoing figures cover those of the consolidated figures of the company and its constituent companies.

The income account of the Nova Scotia Steel and Coal Company, excluding its subsidiaries, shows an operating loss of $301,170. The company received dividends from the Acadia Coal Company during the year amounting to $342,000, so that it had available for fixed charges $40,829 to meet bond interest, and other charges of $651,991. The total loss for the year amounted to $726,362.

In his remarks to the shareholders, R. M. Wolvin, the president, said in part:

The company's claim for reparation of losses suffered during the war which was referred to in the last annual report is still unsettled, the commissioner having not made his final award in your company's case. It has been intimated that this will not be much longer delayed and your directors have cause to expect that a substantial sum will accrue to the company, which will make it possible to pay all arrears of interest and sinking fund.

The obligations of your subsidiary, the Eastern Car Company, with respect to interest and sinking fund in connection with its 6 per cent. first mortgage bonds, which are guaranteed by this company, have been fully met and no liability has been incurred in respect to them.

The earnings of your subsidiary, the Acadia Coal Company, were sufficient to permit payment of the regular dividends on the first preference stock, and these dividends have been received and included in this company's earnings.

Canada Northern Power Supplying Rouyn Field

From Our Own Correspondent.

MONTREAL.—The current issue of "Investments," published by Nesbitt, Thomson and Company, sums up the position of the Canada Northern Power Corporation as follows:

"During the latter part of 1926 an extensive construction programme was commenced for the purpose of consolidating the systems of the constituent companies and to provide additional supplies of power to the territory served. The principal items of the original plans were transmission lines to Kirkland Lake from the Indian Chutes plant and from Rouyn which will permit the interconnection of the generating stations of Northern Canada Power and Northern Ontario Light & Power Company. The increasing requirements of the various customers have made an enlargement of the Quinze plant necessary, and plans are now being made for an extension to the plant which will increase the capacity from 20,000 h.p. to 40,000 h.p. Construction will be started within the next two months and it is expected that it will be completed in about a year. Upon completion of this work there will be about 100,000 h.p. available for use in this area.

In Rouyn, where service was established last December, feeder lines have been built to the larger properties and the company is in a position to supply power as soon as development work is resumed in the spring.

Pulp & Paper

SAGUENAY PULP DELAY ANNOYING TO SHAREHOLDERS

Stockholders Wonder if President's Claim is Holding Up Distribution

From Our Own Correspondent.

MONTREAL.—The shareholders of the defunct Saguenay Pulp and Power Company are becoming increasingly agitated in the failure of their directors to wind up the company. The only asset which the Saguenay Pulp now possesses consists of 7,850 shares of common stock of the Quebec Pulp and Paper Mills. This stock has a par value of $100, but it is understood that there have been some recent transactions between brokers at about $4 per share.

The Saguenay Pulp and Power Co. has outstanding $4,350,000 in common stock and $3,500,000 in preferred stock, making a total share capitalization of $7,850,000.

Thus, the Saguenay Pulp and Power has available for every $1,000 par value of its stock, one share of $100 par value of the new company. Incidentally, this does not mean that the shareholders of the Saguenay Pulp and Power Company will receive one new share for every ten held in the old company because the old company shares have a par value of $5 whereas the Quebec Pulp and Paper Mills shares have a par value of $100 each.

Quebec Pulp Owns Plants

The Quebec Pulp and Paper Mills acquired the properties of the Saguenay Pulp and Power Company over a year ago and the continued inaction of the management of the Saguenay Pulp and Power Company in not distributing the assets to the shareholders has created much unfavorable comment. Moreover the president of the Saguenay Pulp and Power Company is understood to have a personal claim amounting to some $30,000 against the Quebec Pulp and Paper Mills for payment of salary. Shareholders are beginning to wonder whether this claim has anything to do with the delay in winding up the Saguenay Pulp and Power and distributing to its shareholders the stock in the new company. Many shareholders feel that the cost of keeping the old company alive may eat into no inconsiderable portion of its assets.

Some time ago the management of the Saguenay Pulp and Power Company asked the shoreholders to deposit their stock and a large percentage of the shareholders did so. But the delay has been so long that a number are now demanding their stock back from the management.

Soon to Be Settled

It is understood that the claim of the president of the Saguenay Pulp and Power is being arbitrated and it is said that judgment will be issued in a week or two now.

Before the company is finally wound up the common and preferred shareholders will have to arrive at some agreement regarding the disposition of the assets. Should the preferred shareholders decide to press their preferred claims up to the hilt, they would be entitled to all the assets which are, of course, insufficient to satisfy anything like their full claims.

But it is thought that the preferred and the common shareholders will agree to share and share alike in the final distribution of the assets; should the preferred decide to press their claims to the limit, the common shareholders could refuse to wind up the company. Then again, practically all the preferred shareholders hold shares of the common stock. Thus it is anticipated that no difficulty will be experienced when the meeting of the two classes of shareholders takes place at which will be decided the ultimate disposition of the assets.

Might Sell Stock

Incidentally, it is by no means certain that the shareholders of the Saguenay Pulp and Power will receive shares in the Quebec Pulp and Paper Mills in exchange for their holdings, for it is possible that the 7,850 shares of the new company might be sold to advantage and the shareholders of the old Saguenay company might thus receive a small cash dividend when the company is finally wound up.

However, the Quebec Pulp and Paper Mills has recently completed its first full year of operation and with the unsatisfactory conditions which prevail in the groundwood pulp market, earnings amounted only to around $1 per share on the preferred stock. So that it seems probable that the holdings of Quebec Pulp and Paper Mills stock would only sell for a very low figure. Thus it is anticipated that probably the shareholders will eventually receive shares of the new company in exchange for their old holdings.

International Paper Still Continues Its Expansion

From Our Own Correspondent.

MONTREAL.—The International Paper continues its expansion; this time it is in the southern United States, where it has established the Southern International Paper Company to take over and operate three mills of the Louisiana Pulp and Paper Company and Bastrop Pulp and Paper Company. The company is also breaking ground for another new mill at Camden, Arkansas, where it has purchased a large tract of timberland limits and where it is losing no time in getting its holdings to work. The new mill at Camden will turn out 125 tons of Kraft paper daily.

In addition to its expansion in the south, and in Canada, the company has plans for further developments in the state of Maine, which include the erection of a large pulp mill and the reopening of a pulp mill at Van Buren.

For the eleven-months' period ending November 30, 1926, the International Paper earned $1.70 per share on its common stock. This compares with $1.14 per share on its 500,000 shares of common stock outstanding at the close of the 1925 year. The company's total sales during the year amounted to over $54,000,000.

ONTARIO HYDRO NOW BUILDING RESERVES

Puts $4,800,000 Aside in 1926 for Sinking Fund and Other Reserves

Under the administration of C. A. Magrath, who has been for a little over a year its chairman, Ontario Hydro-Electric System is pursuing a policy of building up reserves. Summary of the annual report for year to October 31, 1926, shortly to be issued, shows total reserves of the commission as amounting to $24,751,411. Total investment of the commissions amounted to $203,442,758, of which $155,000,000 was in the Niagara electric power system.

Growth of Hydro's investment and reserves is shown in the following table:

1923	$178,960,697	$ 12,013,238
1924	190,027,910	14,772,561
1925	198,998,929	18,826,065
1926	203,442,758	24,751,411

During the year, the system added about 100,000 h.p. to its generating capacity. As this was larger than the increase in the load the commission has now a comfortable margin between capacity available and the demand for power. Total generating capacity at the end of the year was 928,032 h.p.

During 1927, work will proceed on the transmission line to link the Gatineau development of the International Paper Company with Toronto. By 1928, 80,000 horse-power will be delivered to Toronto over a 220,000-volt transmission line. The total amount contracted for amounts to 260,000 h. p.

Hydro's revenue in 1926 totalled $20,555,179. Of this, $15,693,872 went to operating expenses. Another $4,295,894 was reserved for sinking fund, renewals, obsolescence and other reserves. This left a net surplus after operating expenses and fixed charges of $565,413.

CONSOLIDATED FELT NET PROFITS BETTER

But Gross Off and a Deficiency of Working Capital

From Our Own Correspondent.

MONTREAL.—The annual report of the Canadian Consolidated Felt Company for the 1926 fiscal year shows that, while sales were slightly lower than in 1925, yet, due to a more than proportional decline in the operating costs, the profits showed a marginal increase over the preceding year.

The income account and the working capital figures over the past three years compare as follows:

	1926 $	1925 $	1924 $
Net sales	915,410	933,305	620,457
Operation	872,072	894,588	619,924
Balance	43,338	38,717	533
Bond int.	14,835	15,645	16,545
Balance	28,503	23,072	*16,012
Other int.	14,910	13,965	14,364
Balance	13,593	9,107	*30,376
Mach. changes	....	....	20,983
Net profit	13,593	9,107	*51,359
Prev. surp.	277,690	268,584	319,943
Total surp.	291,283	277,691	268,584
The working capital—			
Curr. assets	129,953	137,270	143,151
Curr. liabs.	145,746	136,325	110,086
Work. cap.	*15,793	954	33,065

*—Debit.

With the exception of the changes in the current assets and current liabilities, the balance sheet figures of the company showed little alteration during the year. The president, in his remarks to the shareholders, states that the profit realized from the sale of knitted goods was satisfactory, and that the footwear department again operated at a loss. Continuing, he says that, as the factory capacity to produce footwear in Canada is much greater than the sale demand, a highly competitive condition consequently develops, with attendant low-selling prices, and that large quantities of low-priced felt slippers have been imported during the year, which has adversely affected the sale of the company's products.

The pulp newsprint mill of the New Brunswick International Paper Co., Ltd., will be erected in Dalhousie, N.B.

St. Maurice Valley Corporation

Successors to

Belgo-Canadian Paper Company, Limited,
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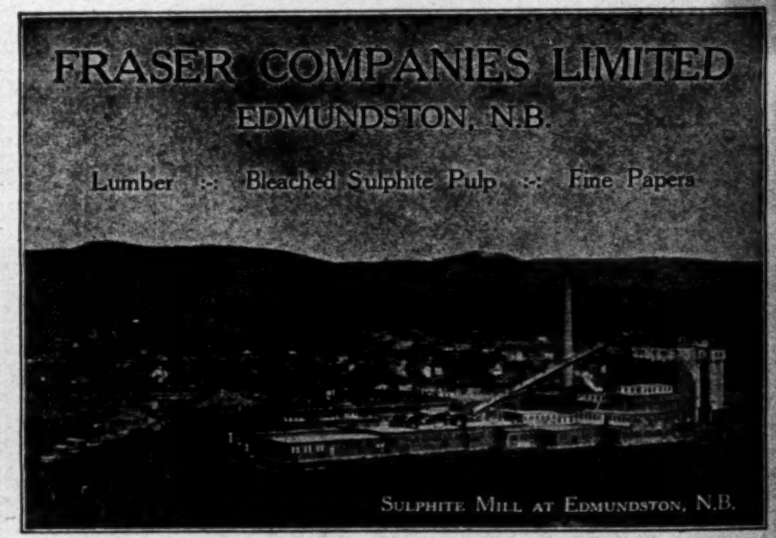

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Steel of Canada Shows Higher Profits for 1926 Than in Recent Years

Net Earning on Common is $15.43 After Preferred Payments and Substantial Provision for Depreciation —Large Sums Are Spent on Property

Steel Company of Canada had net earnings of $2,229,212 in 1926 after provision for bond sinking fund, depreciation and interest on bonds, compared with $1,818,308 in 1925. Earnings on common stock, after depreciation, sinking fund, bond interest and preferred dividends for the last three years have been as follows:

1926	$15.43
1925	$11.85
1924	9.30

Net working capital is $12,876,865, compared with $12,694,989 at the end of 1925, and $11,751,304 at the end of 1924. Current assets at the end of 1926 were $15,292,655 and current liabilities were $2,415,790. There was a slight increase in current liabilities, but the current assets increased in greater proportion. At the end of the year, the company had $5,219,396 invested in victory and war-loan bonds, compared with $4,049,449 under the same head at the end of 1925.

Reserves Are Higher

Aggregate of reserves have increased from $13,947,841 to $14,517,333. Depreciation account is now $8,231,374, compared with $8,019,583 at the end of 1925. Bond sinking fund reserve is up from $2,290,605 to $2,502,874 and contingent reserve is increased from $573,392 to $659,368. Betterment and replacement reserve is reduced, due to expenditures during the year, from $1,881,470 to $1,860,470.

Bonds redeemed through the sinking fund now total $2,440,796, which is an increase from $2,172,690 at the end of 1925. Outstanding bonds have the value of $5,909,299. The original issue was $10,000,000, of which $1,649,904 are held in the treasury. The bonds, a 6 per cent. first mortgage, are due July 1, 1940.

The report of the president, Ross H. McMaster, comments on the important additions to plant and equipment which are indicated by the balance sheet. There have been extensions to the sheet mills at Hamilton as well as installation of new equipment for the screening and preparing of domestic coke. It is asserted that the new sintering plant is turning out an excellent product.

Buy New Ore Resource

Other changes include changes at the pipe mill, St. Henry works, and the bolt forging department, Swansea works (Toronto) and new and improved machinery has been installed at the bolt and nut plants and the wire mills. Mr. McMaster says that the expenditures on plant and equipment in the last few years have been with the view to decreasing costs of production in order to protect the heavy investment. No important extensions to increase steel production have been undertaken for the reason that the plants have not been operated to capacity for several years. The Belleville works, which have not been operated for a number of years, have been sold. Competition from abroad has militated against increased steel production.

The report also notes that the company, during the year, acquired an interest in a new iron-ore property—the Volunteer mine. The quality of the ore and the cost of operations, have been as expected. Other ore and coal properties were operated at increased capacity during the year and continued to show satisfactory results.

Increased earnings during 1926, continues the report, were the result of the larger volume of business transacted and lower operating costs. Some portion of the profits also was derived by the sale of coke for domestic use and from other by-products. Mr. McMaster notes that new developments in all lines of steel and iron manufacture are constantly occurring and thus explains the substantial provision for necessary expenditures if plant and equipment are to be kept abreast of new conditions and competition.

Profit and Loss

	1926 $	1925 $	1924 $
Mfg. profits	3,247,606	2,825,606	2,510,826
Less:			
Bond sk. fd.	292,269	281,643	271,212
Deprec.	760,208	682,171	677,401
Bond int.	362,601	378,540	394,187
	1,415,078	1,342,354	1,342,800
Net profits	1,832,528	1,483,252	1,168,026
Inc. from inv.	396,684	335,057	356,483
Total	2,229,212	1,818,309	1,524,509
Pref. div.	454,741	454,741	454,741
Com. div.	805,000	805,000	805,000
Emp. ben. res.	100,000	100,000	....
Surplus	869,471	458,568	264,768
Prev. surplus	9,293,583	8,835,015	8,570,247
P. & L. surp.	10,163,054	9,293,583	8,835,015

Stock Market Record—

	Common H	Common L	Preferred H	Preferred L
1926	120	95⅛	126	114
1927*	136	117	136	127

*—To April 4.

Dominion Glass Earns Much More Than Dividend

From Our Own Correspondent

MONTREAL.—The strength in the shares of the Dominion Glass Company has probably been due to the fact that it is understood that earnings for the fiscal year, which ended March 31, will show an improvement over the 1926 year and that earnings during the year were materially in excess of the 7 per cent. dividend requirements. The company has received substantial orders from the Ontario and the Manitoba liquor commissions during 1927, and it has also benefited from orders from Ontario breweries, which have contributed in a large way to the increased sales. It is said also that there is a pool operating in the stock, which may explain the activity in the issue.

International Loan May Start Deposit Business

International Loan Company's business is being extended both in Manitoba and Saskatchewan. Many people in Saskatchewan as well as Manitoba took stock during the year, and loans have been made in both provinces.

This year, for the first time, the first mortgages on which interest is received exceed by a large margin the paid capital on which dividends must be paid. Other assets include certain farm lands taken under foreclosure, and this will all undoubtedly be sold during the present spring. The company is loaning only its own money. It has not yet sought deposits, or sold bonds, but anticipates that developments in this direction will ultimately take place.

Ship Oil to Halifax

The shipment of oil from the wells in Albert County, N.B., to the Imperial Oil Company, Halifax, refineries totaled 13,500 barrels from December 1st to February 28th. Wide-scale operations are now going on at the wells.

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AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

Canadian Call Loans of Banks Increase

Canadian banks withdrew some money from New York in February to aid in the financing of Canadian stock market and investment operations.

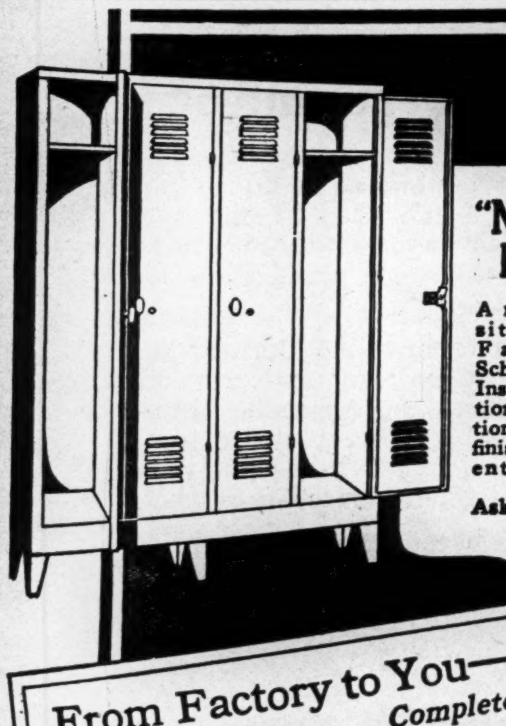
Bank statement as at February 28, 1927, shows call loans abroad to have declined during the month by $4,865,000, while call loans in Canada increased by $11,392,000.

Call loan business is becoming increasingly important to Canadian banks. Call loans at the end of February were $153,596,957 in Canada, an increase of $22,264,841 for the year; and $285,138,956 abroad, an increase of $20,452,659 for the year.

There were not many important changes in the bank statement during the month.

BANK STATEMENT FOR MONTH OF FEBRUARY

	Feb., 1927 $	Jan., 1927 $	Change $	Feb., 1926 $	Change $
Immediately Available Liquid Resources					
Specie	67,604,785	68,305,284—	700,499	59,941,940+	7,662,845
Dom. Notes	114,822,134	121,233,787—	6,411,653	132,562,215—	17,740,081
Gold Reserve	57,960,332	53,360,332+	4,600,000	55,860,332+	2,100,000
U. K. Banks	13,079,821	11,449,754+	1,630,067	9,929,943+	3,149,878
Foreign Banks	54,720,959	58,811,614—	4,090,655	57,575,417—	2,854,458
For. Curr.	20,676,154	20,172,406+	503,748	22,629,381—	1,953,227
Govt. Secs.	319,965,241	314,300,261+	5,664,980	364,459,286—	44,494,045
Call Loans Abroad	285,138,956	290,004,522—	4,865,566	264,686,297+	20,452,659
	933,968,382	937,637,960—	3,669,578	967,644,811—	33,676,429
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	125,794,830	121,856,811+	3,938,019	136,291,805—	10,496,975
Rly. Secs.	61,830,399	59,736,107+	2,094,292	63,518,662—	1,688,263
Can. Call Loans	153,596,957	142,204,832+	11,392,125	131,332,116+	22,264,841
Current	959,008,088	962,540,949—	3,532,861	862,716,608+	96,291,480
Loans Abroad	284,411,402	292,841,391—	8,429,989	260,040,597+	24,370,805
Prov. Loans	11,458,484	11,068,983+	389,501	15,636,147—	4,177,663
Municipal	60,858,141	59,434,242+	1,423,899	61,872,271—	1,014,130
	1,656,958,301	1,649,683,315+	7,274,986	1,531,408,206+	125,550,095
Other Assets					
Non-curr. Loans	8,926,447	8,680,034+	246,413	9,775,039—	848,592
Real Estate	7,798,274	7,876,494—	78,220	8,588,271—	789,997
Mortgages	5,834,675	5,789,482+	45,193	5,157,257+	677,418
Premises	70,679,200	70,551,133+	128,067	73,003,713—	2,324,513
Lets. of Cred.	67,598,577	72,868,642—	5,270,065	69,735,607—	2,137,030
Loans to Comp.	5,288,080	5,243,640+	44,440	4,879,888+	408,192
Other Assets	2,920,563	3,044,413—	123,850	3,050,364—	129,801
	169,045,816	174,053,838—	5,008,022	174,190,139—	5,144,323
Total	2,759,972,499	2,761,375,113—	1,402,614	2,673,243,156+	86,729,343
Note Cir. Dep.	5,772,776	5,772,776	......	5,804,736—	31,960
Int. Bk. Bal.	129,161,409	125,204,344+	3,957,065	103,201,527+	25,959,882
Gross	2,894,906,684	2,892,352,233+	2,554,451	2,782,249,419+	112,657,265
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	164,569,084	160,439,554+	4,129,526	163,617,467+	951,617
Dom. Govt.	16,670,230	18,992,689—	2,322,459	27,226,764—	10,556,534
Prov. Govt.	26,684,559	25,022,912+	1,661,647	23,709,561+	2,974,998
Govt. Advances	16,500,000	10,000,000+	6,500,000	2,000,000+	14,500,000
Deposits by Public					
Demand Dep.	536,525,357	559,743,610—	23,218,253	509,518,379+	27,006,978
Savings Dep.	1,389,609,017	1,381,474,773+	8,134,244	1,332,784,116+	56,824,901
Total	1,926,134,374	1,941,218,383—	15,084,009	1,842,302,495+	83,831,879
For. Dep.	336,068,918	331,490,481+	4,578,437	323,524,573+	12,544,345
Due Banks Abroad, Etc.					
U. Kingdom	4,063,764	4,823,217—	759,453	6,203,957—	2,140,193
Foreign	43,550,338	42,064,081+	1,486,257	39,900,718+	3,649,620
Bills Pay.	8,771,901	9,032,763—	260,862	11,325,186—	2,553,285
Lets. of Cred.	67,598,577	72,868,642—	5,270,065	69,735,607—	2,137,030
Other Liab.	2,045,679	2,129,356—	83,677	1,817,058+	228,621
Pub. Liab.	2,612,657,424	2,618,082,082—	5,424,658	2,511,363,386+	101,294,038
Due Bet. Bks.	13,192,411	13,379,102—	1,186,691	11,526,850+	1,665,561
Liability to Shareholders					
Dividends	2,659,552	1,336,700+	1,322,825	2,642,093+	17,459
Reserve	128,544,050	125,441,700+	3,102,350	125,441,700+	3,102,350
Capital	120,267,010	117,164,660+	3,102,350	116,164,660+	4,102,350
Gross	2,877,320,447	2,876,404,244+	916,203	2,767,138,689+	110,181,758



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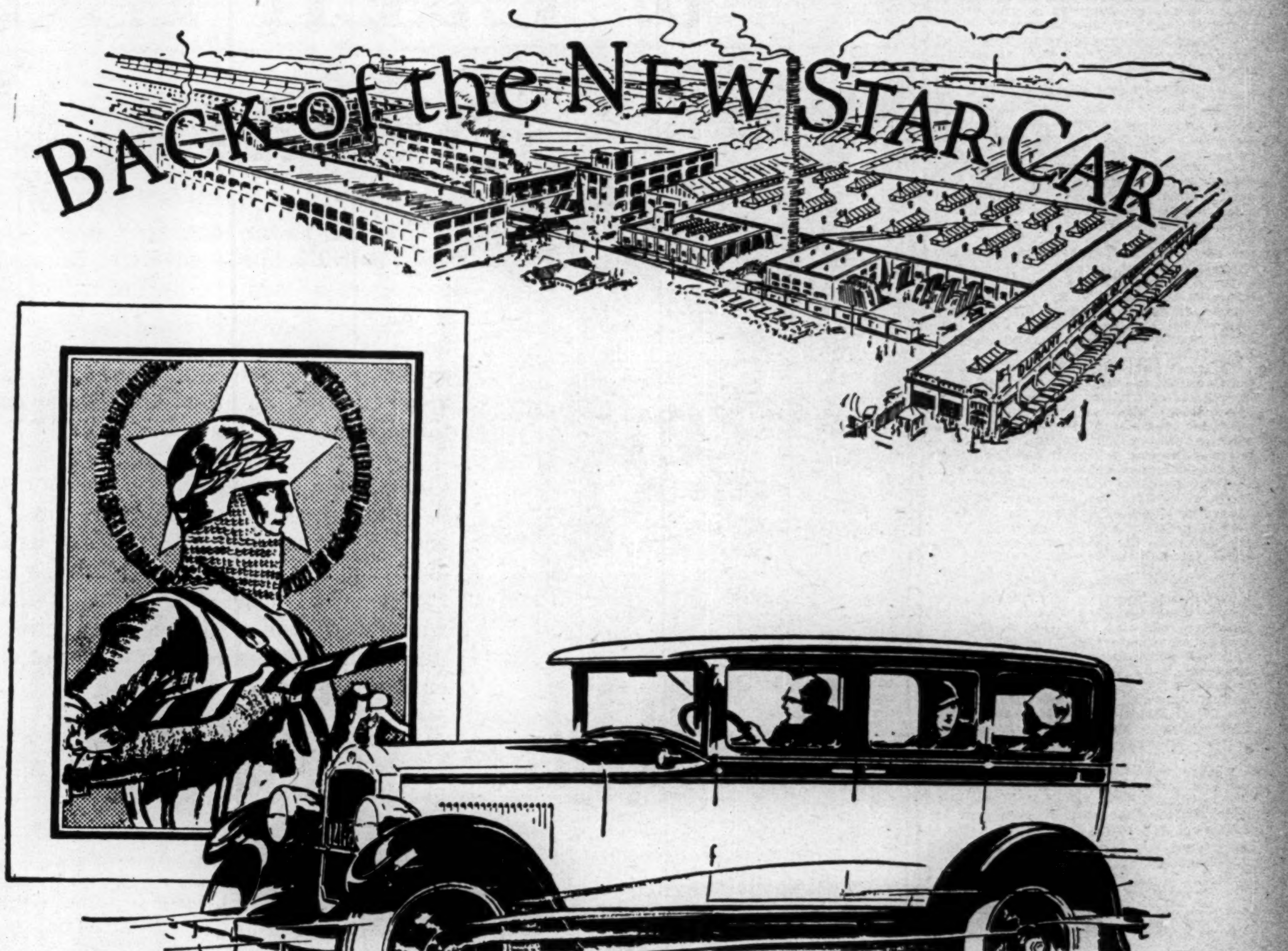
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Long Range Outlook in Newsprint Industry is Declared Excellent

Comprehensive Survey by New York Banking Organization Stresses Importance of Position Canada Occupies

A most optimistic viewpoint of the future of the newsprint industry is taken by Bankers' Trust Company of New York, in a review of the industry just prepared. Emphasis is placed upon taking the long range view of the industry, which is more important than adjustment between productive capacity and consumption at any given time. The review says:

"The newsprint industry continued in 1926 the impressive expansion which has characterized it in recent years, in fact in an increased degree. New mills were constructed in eastern Canada and existing mills in eastern Canada, Newfoundland and British Columbia were enlarged. The current year will see such construction carried on to an even greater extent, and what is of equal interest, will witness as last year did not the conversion of some of the mills in the northeastern states, unable longer to compete with the low cost of producers of Canada, to the manufacture of other classes of paper. Along with the entire paper industry the manufacture of newsprint may be said to be passing through a definite stage in its evolution. Newsprint manufacture is being transferred northward and to the Pacific Coast and the manufacture of wrapping paper southward and to the coast, while newsprint and wrapping mills alike in the northeastern states are being converted to book or specialty paper. Such apparently striking changes lend considerable interest to probable future developments in the industry. Will the Canadian forests which have supplanted those in the northeastern states as the seat of the newsprint industry in turn be displaced by the forests of the Pacific Coast, or those of the South? Will the remarkable increase in the consumption of newsprint continue and if it does not, will it be possible to bring productive capacity into satisfactory adjustment with consumption?

Effect of Embargoes

"The history of the industry is a familiar one. Originating in New England and New York it developed there to a point where the local forests no longer could support it permanently, but it was expected that pulpwood could be imported from Canada. Two factors militated against this. Canada desired to utilize all of its forest reserves in the building up of a home industry and the publishing interests of this country were opposed to a protective tariff. The Canadian provinces therefore placed an embargo on the export of crown land timber, which comprises by far the greater part of the Dominion's reserves, and the tariff on newsprint was removed by the United States.

"A great stimulus was thus given to the Canadian industry and a corresponding check to further expansion in the northeastern states. Transportation of pulpwood long distances by rail for manufacture into newsprint is inexpedient because the raw material wood, including moisture and bark weighs from two to three times as much as the finished product. Newsprint generally speaking should be manufactured as near the forests as possible, and in conformity with this principle the industry is constantly advancing into the forests.

Will Centre in North

The article proceeds to show that the proper wood for newsprint is grown in northern countries. For this reason:

"The manufacture of newsprint probably will always be centered in the north temperate zone. Its production elsewhere is made possible only by means of imported pulp and high protective tariffs. The North American industry, therefore, has nothing to fear from southern competition either on this or any other continent.

"There remains the question of competition within the northern hemisphere. The principal divisions of its newsprint industry together with consumption in 1925 were as follows:

Approximate World Production and Consumption of Newsprint in 1925

	Production tons	Consumption tons	Per Capita Consumption lbs.
Eastern N. Amer.	2,820,000	2,770,000	49.5
Europe	2,250,000	1,890,000	7.9
Pacific Coast	320,000	310,000	62.0
Asia	220,000	300,000	.7
Latin America		175,000	4.5
Australia and New Zealand		120,000	32.0
Africa		35,000	4.9
Unclassified	20,000	30,000	
	5,630,000	5,630,000	

"The four producing divisions of the industry are to a surprising extent noncompetitive. The decisive elements in the cost of newsprint are raw material and transportation costs to market. If these are low the finished product does not vary materially in price in the several centers of production. Every other advantage which any one region or location may have can be offset in some manner. If labor is relatively scarce, machinery can be substituted for it. If pulpwood cannot be driven to the mill on stream or river, it can be brought in cheaply by logging railroad, or rafted on coast waters or transported economically by steamer. The lower transportation costs of mills nearer to market are balanced by cheaper pulpwood costs at points more distant.

European Exports Decline

Great Britain's supremacy in mechanical development has given her European leadership in newsprint, despite lack of raw material reserves. For similar reasons, Europe cannot compete against Canadian mills, says the article, which proceeds:

"European exports to this country at the peak of the movement in 1923 were about 200,000 tons. Since then they have been cut approximately in half. Had it not been for disorganization of the European market, it is unlikely that even these figures would have been reached since with the return to more normal conditions abroad, newsprint consumption increased at a faster rate even than in this country. It is doubtful moreover if productive capacity in Europe can be as readily expanded as on this continent. In the Scandinavian countries, Finland and Germany, where most of Europe's pulpwood is at present produced, the forests are fully utilized and in some cases are overcut.

"In neutral markets the North American industry competes successfully with Europe wherever shipping conditions are equal. Europe because of its dense population and industrial development is a large importer of the food and raw materials of the southern hemisphere and there is consequently a fairly equal flow of trade between Europe and the southern continents. Thus exports from the former have to pay only half the cost of the round trip between the two. Canada on the other hand is similar in economic development to the newer countries of the world and needs comparatively little from them. Hence Canadian exports usually outweigh imports from the southern hemisphere and outgoing freight has to bear the burden of shipping costs. This situation gives to Europe most of the South American market the largest in the southern hemisphere. In Australia and New Zealand to which Canada is considerably nearer than Europe she shares the trade with Great Britain, all other countries being excluded by high protective tariffs. Canada is also the leading exporter of newsprint to South Africa. To nearby countries, Cuba and Central America, Canada and the United States supply most of the demand.

"Foreign competition is not then an important factor in the stability of the North American industry, nor is the manufacturer in the East materially affected by what the Coast industry will do and vice versa. The industry's problem is largely one of the relation of supply, or strictly speaking productive capacity, to demand in the home market.

"One factor in this equation it is of course impossible to predict exactly. For the past twenty-seven years production of newsprint in North America, which is always in close adjustment to consumption, has increased at the rate of 7 per cent. compounded annually, but it has not increased evenly. It has decreased slightly twice since 1913 and increased at rates varying from 3 per cent. to 24 per cent. in other years. At the present level of consumption, to come within 200,000 tons either way of what the year's demand will be is probably as much as can be expected of any forecast. Whatever the demand is, production will be constantly adjusted to it. If orders do not come in, newsprint machines are not run. Mill stocks never amount to more than three or four days' production. The difficulty, with consumption fluctuating around not a constant but a sharply advancing level, is to maintain a profitable balance between productive capacity and demand.

"It is naturally to the advantage of the various interests in the industry to secure all the increased business possible and particularly to take up new timber limits when offered for lease in Canada, for the companies which secure large reserves of raw material now should be in an increasingly advantageous position in the future. The day may be said to be in sight in eastern Canada when all the accessible limits will be taken up. As an offsetting influence to this tendency toward over expansion there is the fact that there are few interests in the industry. These, because of their tremendous investments necessarily have to consider the stability of the industry as a whole as well as any advantages to be reaped by their own individual expansion.

What Provinces Can Do

"The Canadian provincial governments, as long as there are unalienated timber lands in the Dominion, can exercise an effective control over expansion by offering or withholding crown lands from the market. It is to the advantage, of course, of the various Canadian provinces to develop their forest resources as rapidly as possible since construction of new mills adds directly and indirectly very materially to their wealth and income, but excess newsprint producing capacity necessitating part time operations and partial unemployment is of no advantage to them. This is fully recognized by all of the provinces and they have indicated that when the necessity arises they will take steps to curtail expansion, until increasing consumption again takes up the slack in productive capacity.

"The industry's record for stability has been on the whole a very satisfactory one. Over a long period of years it has operated at approximately 90 per cent. of capacity, a figure which compares favorably with that of any industry. Last year it established the high operating record of 96 per cent. of capacity but this necessitated the operation of mills which were no longer profitable and which under a less urgent demand would have either been closed or converted to the manufacture of other grades of paper. Thus far this year Canadian and American mills have averaged slightly less than 90 per cent. of capacity. At 90 per cent., figuring in new machines to come into production but without allowing for machines which may be taken off newsprint production, the productive capacity of the North American industry is estimated at 4,000,000 tons of paper per annum by the end of the third quarter. Production thus far this year is running at about 5 per cent. over last year which would indicate consumption of close to 4,000,000 tons for the year in all markets served by the North American industry.

Long Range View Excellent

"From a long range point of view more important than the adjustment between productive capacity and consumption at any given time is the fact that the industry as now developing in the United States, Canada and Newfoundland, is on a sound and permanent basis, always assuming that adequate forest fire protection will be provided to conserve its raw material supplies. Furthermore, in its comparative independence of foreign competition, in the relatively small number of interests operating in it, and in the effective control which governmental authorities can exercise over its expansion, there are very powerful influences working for its equilibrium and prosperity."

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At the present time Combustion Engineering Corporation manufactures every type of Stoker, a Unit System of Pulverized Fuel Equipment (applicable to individual boilers), and a Central Storage System of Pulverized Fuel Equipment (applicable to large steam generating plants).

For the greater service of the industrial plants and the pulp and paper industry, the Canadian organization also manufactures in Canada the Ruths Steam Accumulator and the Nordstrom Dryer for drying either sulphate chips or waste wood and bark for fuel purposes.

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Since its inception, Combustion Engineering Corporation has designed, built and installed steam plants in North and South America, Europe, Asia, Africa and Australia. It has solved the problems involved in developing steam from practically every known type of solid fuel. It has built up a sound organization, reliable and efficient in every respect.

Its guarantees are conservative because based on world-wide experience.

We invite correspondence.

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NORDSTROM DRYING TOWERS
HEAD OFFICE — MONTREAL, TORONTO. WINNIPEG. VANCOUVER

Public Utilities

WEST KOOTENAY GROSS EARNINGS UP 60 PER CENT.

Net Up to $484,733 from Only $39,368 Last Year

From Our Own Correspondent.

MONTREAL. — The annual statement of the West Kootenay Power and Light Company for the 1926 fiscal year showed a substantial increase in both gross and net earnings. The company is seen to be in a satisfactory liquid position with current assets of $408,455 against current liabilities of $267,284 leaving a net working capital of $141,171. The profit and loss figures over the past three years compare as follows:

	1926 $	1925 $	1924 $
Gross	1,660,669	1,041,125	683,516
Expenses	385,387	344,772	241,619
Balance	1,275,282	696,353	441,897
Bond int.	221,582	172,751	106,768
Balance	1,053,700	523,602	335,129
Deprec.	465,072	364,863	232,655
Balance	588,628	158,739	102,474
Written off	146	311	199
Sinking fund	99,262	95,854	69,378
Balance	489,220	62,574	32,897
Other int.	4,487	23,206	....
Balance	484,733	39,368	32,897
Dividends	35,000	35,000	35,000
Balance	449,733	4,368	‡2,103
Tax adjust.	....	870	2,170
Surplus	449,733	5,238	67
Prev. balance	16,609	11,374	11,309
P. & L. bal.	466,342	16,612	11,376

‡—Debit.

Balance Sheet Figures

The balance sheet shows that the plant is now carried at $7,732,229, an increase of $258,370 during the year. In the liabilities the bonded indebtedness has been reduced by $100,000 in the year. The surplus account shows the increase noted in the income account figures, and the company's sinking fund assets amount to $34,477, as compared with $9,025 last year.

In his remarks to the shareholders, Lorne A. Campbell, vice-president and general manager, said in part:

"The revenue-producing load for the 12 months ending December 31, 1925, was 39,230.1 h.p., and for the year ending December 31, 1926, was 62,789.2 h.p., showing an increase over the year 1925 of 23,559.1 h.p. The installation of No. 3 unit in the plant was authorized in October, 1925, and the equipment was delivered and installation started April, 1926. Installation was completed and generator put on line August 22, 1926. This completed the total installations of No. 1 plant. Lower Bonnington, bringing the total horsepower of machinery installed up to 60,000 h.p."

Gas, Power and Trams in Winnipeg Earn More

From Our Own Correspondent.

MONTREAL.—Revenue from passengers carried on the tramways of the Winnipeg Electric during the 1926 year totaled $57,985,144, an increase of $2,889,086 over the corresponding figures in 1925. This increase amounted to 5.2 per cent. During the year there was a total increase of 13.3 per cent. in the total kilowatt-hour output of the company's power department. The amount of gas which was sold also showed an increase amounting to 3.4 per cent. over 1925.

Thus, during the past year all departments of the Winnipeg Electric Company's activities yielded better returns. The generally improving business conditions in and around the city of Winnipeg are also evidenced by the increasing number of customers served by the tramways, gas and power departments.

Public Utility Earnings

Can. Western Natural Gas

	1926	1927	Change
January	$138,443	$199,753	+$61,310

Winnipeg Electric Railway

January—	1926 $	1927 $	Increase $
Gross earn.	507,833	549,739	41,906
Working exp.	310,241	337,465	27,224
Net earn.	197,592	212,274	14,682

Jamaica Public Service

February—	1927	1926
Gross earn.	$ 53,954	$ 51,182
Net earn.	20,001	18,589
Surplus after charges	13,846	12,319
12 mths. end. Feb. 28—	1927	1926
Gross earn.	$661,705	$630,952
Net earnings	263,975	240,658
Surplus after charges	189,579	162,587

Brazilian Traction

February—	1927 $	1926 $	Change $
Gross earn.	2,876,573	2,893,557—	16,984
Oper. exp.	1,262,000	1,214,770+	47,230
Nett earn.	1,614,573	1,678,787—	64,214
Aggre. gross from Jan. 1	5,852,374	6,057,227—	204,853
Aggre. net from Jan. 1	3,289,502	3,471,075—	181,573

Monterey Railway. Light

3 months to Sept. 30, 1926—	Gross $	Expenses, includ. prov. for renew. & obsoles. $	Surplus $
Ry. light & pr.	246,390	250,402	*4,012
Water. & Sewage.	70,114	33,055	37,058
Total	316,504	283,457	33,046
Aggre. earn. from Jan. 1, 1926, to Sept. 30, 1926	905,396	837,704	67,692

*—Deficit.

B.C. Electric Railway

January—	1926 $	1927 $	Increase $
Gross earn.	1,081,569	1,138,526	56,957
Exp., mainten., etc	750,590	773,933	23,343
Net income	330,979	364,593	33,614
Aggre. gross from July 1, to Jan. 31, 1927	7,075,132	7,432,968	357,836
Aggre. net from July 1 to Jan. 31, 1927	2,069,804	2,178,925	109,121

RAILWAY EARNINGS

Canadian Pacific

Week End:	1927	1926	Change
Mar. 31	$4,725,000	$4,826,000—	$101,000

Would Kill Webster's Montreal Water Deal

MONTREAL. — A red hot monkey wrench has been hurled into the work of Senator Lorne C. Webster and his associates in the extraordinary Montreal Water and Power deal. The members of the Montreal Board of Trade have authorized their council to institute court action which will endeavor to prevent the Montreal city council from acquiring the property at a price which will yield its present owners one hundred per cent. profit in a three or four months' period, a profit amounting in all to some $4,000,000.

Obviously the Montreal Board of Trade intends to ask the courts to declare the deal illegal.

WINNIPEG ELECTRIC GROSS AND NET UP

Net After Fixed Charges Was Larger by $137,000

From Our Own Correspondent.

MONTREAL.—In the report presented to the shareholders at the annual meeting of the Winnipeg Electric Company, the gross income during the 1926 fiscal year showed an increase amounting to some $250,000. After operating, depreciation and fixed charges, there remained a sum of $757,069, as compared with the 1926 figure of $620,554.

Gross earnings of the company's subsidiary, the Manitoba Power, amounted to $673,562, as compared with last year's figure of $666,053. Operating expenses were $122,273, leaving, with miscellaneous revenue, a net of $563,857. Interest charges of $529,007, and taxes of $19,921, left $14,908, against which was charged $14,000 depreciation, Winnipeg River Railway, leaving net income transferred to surplus of $908, which, with the surplus brought forward from 1925, gave a total of $22,690.

Balance Sheet Position

At the close of the year the total assets of the Winnipeg Electric Company show an increase at $38,749,620 of $1,496,815, over the total assets for 1925. This increase is to be found in the increased value of physical properties of $562,857, an increase in sinking funds and cash in hand of sinking fund trustees of $113,538, an increase in advances to, and stocks and bonds held in, subsidiary companies of $312,794, and an increase given as "cash in bank—special account held for bond interest and redemption of bonds, etc.," of $546,377. Cash in bank and on hand is less than a year ago by $109,000. The balance of the items show little change. On the liabilities side current and accrued liabilities are up sharply by $1,200,000, made up principally of secured notes payable to bankers of $550,000; five per cent. first mortgage bonds, which were retired January 2, of $468,000, and of preferred stock subscriptions of $435,467. Other items show little change from a year ago.

SHAWINIGAN SHARES REACH HIGH GROUND

Stock Touches New High Levels Due to Strength of Subsidiaries

From Our Own Correspondent.

MONTREAL.—In selling above 77, the shares of the Shawinigan Water and Power Company made a new high for all time. One of the reasons for the strength in the stock has been the strong market action of its subsidiary, the Quebec Power Company, in which the Shawinigan Water and Power Company owns over 50 per cent. of the stock, 50,000 shares in all. It is said that, figured at present market prices, Shawinigan has a profit of some $12,000,000 on its investment in the shares of this subsidiary.

Shawinigan also controls the St. Maurice Power Company. The shares of the latter recently scored a substantial advance in anticipation of the time when that company will decide to declare dividends on its common stock.

Other Subsidiaries Do Well

Jointly with Montreal Power, Shawinigan also controls, through the United Securities, Ltd., the Montreal Tramways. Tramways recently issued new stock to its shareholders and, during 1926, improved its earnings and its balance sheet position. Thus, the chief subsidiaries of Shawinigan have been steadily improving their position, and a corresponding rise in the shares of the parent company has been the natural outcome of the strength in the shares of the companies which it controls, or in which it has a large interest. The smaller subsidiaries have also been increasing their earning power.

One of the reasons underlying the strength in the Quebec Power Company is the erection of pulp and paper mills near Quebec, which will absorb large blocks of power from the Quebec Power Company's lines. Some of the power requirements of the pulp and paper mills will be met with power from the Duke-Price plant on the Saguenay. The Shawinigan Water and Power Company is at present erecting a line connecting the Saguenay plant with the city of Quebec, and, when the line is completed, Shawinigan will sell a large block of power from the Saguenay to its subsidiary, the Quebec Power Company.

Kenora Expands

MONTREAL.—The Kenora Paper Mills is carrying out extensive improvements in its plant. Two new barking drums are being installed, and a new 800-horsepower boiler has been placed in operation. A new sorting conveyor and an additional wood stacker are planned, and this work will proceed shortly. These improvements to the company's sulphite pulp mill will bring about a 30 per cent. increase in its production. The Kenora Paper Mills is one of the Baokus undertakings.

Big Increase for Ontario Equitable

The new life insurance issued by the Ontario Equitable Life, of Waterloo, during the first quarter of 1927 amounted to $2,295,500, as compared with $1,432,690 in the first quarter of 1926, an increase of 60 per cent.

King Edward to Hold Meeting on April 30th

Annual shareholders' meeting of King Edward Hotel Co. will be held April 30th. While the balance sheet will not be printed for another week, it is understood that it shows an improvement over the previous year, when the gross earnings were $2,168,027, and $14,020 was added to surplus after payment of all charges.

Common stock of King Edward Hotel Co. has been ascending recently, presumably on the reports of better earnings from the hostelry. United Hotels Co., which operates the property under lease, is said to be confident that the hotel can maintain a position as a first-class house even if, and when, other first-class hotels are built in Toronto.

Earnings in recent months have been increasing steadily, through economies in operation. While rooms still are let below actual cost, profits are realized from contracts with luncheon clubs for banquets, etc., and in the leases of space for stores and to concessions. The company is completing a refurnishing of about 100 rooms in the older part of the hotel. This refurnishing included replacement of bathroom fixtures which had become out of date.

Steels Consolidated To Close Ottawa Store

Annual report of Steel's Consolidated is expected to be available within a week or two. Steel's Consolidated is the new company formed by shareholders of the old L. R. Steel ventures. These shareholders contributed funds to a protective trust.

About 50 stores, selling goods from five cents to $1, are being operated, twenty of these being in Canada. The old over-expanded organization is gradually being consolidated into a profit-making unit. The Ottawa store, which never has been operated at a profit, will be closed about May 15th. The property has been sold.

Expect Larger Beet Acreage

Officials of the Canadian Sugar Factories, Limited, at Raymond, Alta., estimate the present year's acreage to sugar beets greater than last year, when slightly over 5,000 acres were harvested. They believe also that the present year will be marked by better soil conditions and a more efficient handling of the beet crop during the growing season.

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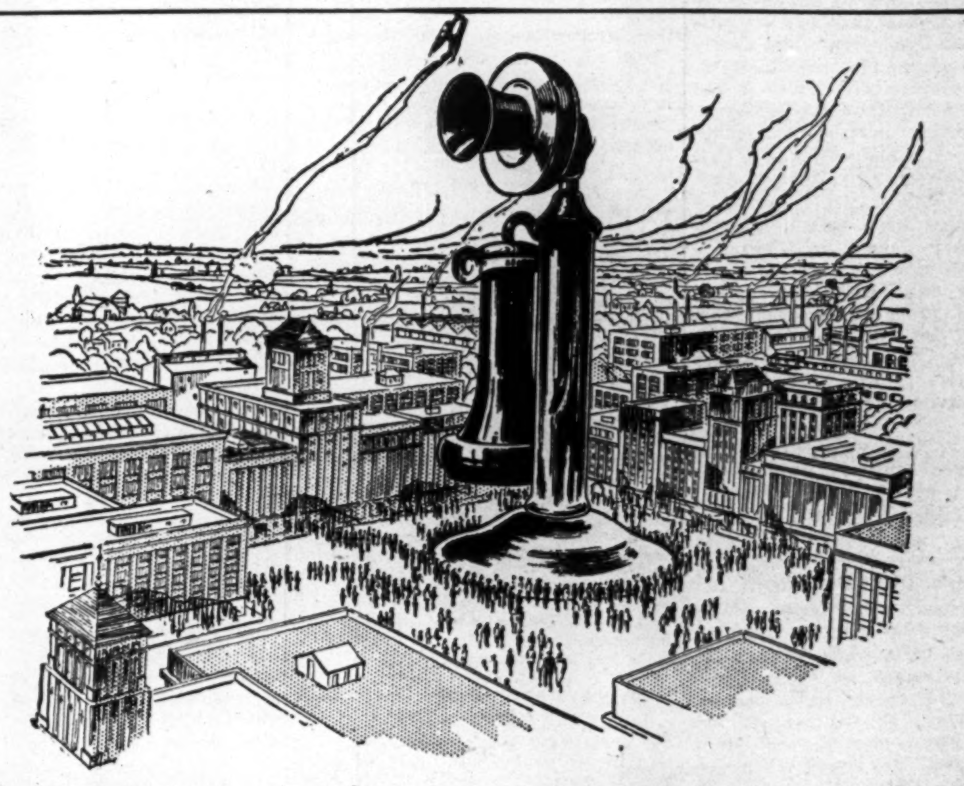

The Market Place

SPACE, the last frontier, is being conquered by the telephone. At the time of Confederation, Canada's communication within her borders and with the markets of the world was arduous and slow . . . News and the stuffs of commerce travelled slowly . . . To traverse Canada was high adventure.

In 1870, just three years after Confederation, Dr. Alexander Graham Bell, whose life had been despaired of by his physicians, went to Brantford, Ontario, to die. Fortunately he was spared, not only to initiate the movement of the transmission of speech by electricity but to see his invention improved and perfected until it became one of the greatest factors in the social and business life of the world.

The first time that transmitting and receiving instruments were placed miles apart and speech successfully transmitted was on August 10th, 1876, nine years after Confederation. The transmitter was in Brantford, the receiving instrument in Paris, Ontario. Various persons spoke and sang into the transmitter and were heard by Dr. Bell through the receiving instrument.

Today the telephone in home and office permits conversation with friends and associates half the world away. It is the new world market place. More than 1,000,000 telephones are in use in Canada. They provide opportunity quickly to exchange good wishes, news of commercial or social import and to keep in touch constantly with the world.

The Northern Electric Company is proud of its share in this development which links the provinces more closely together. The industrial and political significance of this nearness is tremendous because it is productive of increased national progress and goodwill.

Information

The contributions of Saskatchewan to the wealth, resources and prestige of united Canada will appear in the press throughout the Dominion during May.

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TORONTO, APRIL 8, 1927

LIQUOR ADVERTISING

ONTARIO'S new liquor law is generally taken to prohibit advertising of liquors. A close reading of the act, however, indicates clearly that the power to control liquor advertising is placed in the hands of the commission. If the commission decides to permit liquor advertising it may do so, and may control it as it sees fit. This is, of course, proper; since the commission will be the only retailer in the province it would be quite unfair to permit any manufacturer of liquor to spend money on an advertising campaign to force the commission to stock his brands if the commission had decided against purchasing from him. Controlled advertising is satisfactory; absolute prohibition of liquor advertising is not in the best interests of the public because it creates a monopoly for manufacturers controlling old brands that were extensively advertised in pre-prohibition days.

Houses that have built a reputation for their liquors will have no difficulty in marketing them. Their names are familiar to the public. But new or liquor manufacturing organizations come into the field from time to time. They may have a better or cheaper product. How can the public be advised if advertising is not permitted.

So long as liquor is legally sold in any province, advertising of liquor should be permitted. No publication would be forced to accept such advertising.

ACTION ON SAGUENAY

THE president and directors of the Saguenay Pulp & Power Company could not do better than issue an immediate statement to their shareholders indicating the exact position of the company and the reasons why it has not been wound up, and why a distribution of the company's assets has not been made. The assets now consist solely of shares in the new Quebec Pulp & Paper Mills.

The Quebec Pulp & Paper Mills came into being about a year ago, and at that time acquired all the assets of the Saguenay Pulp & Power Company. The old company now holds 7,850 shares of the new company's common stock. This stock has been lying in the treasury of the Saguenay Pulp & Power Company for many months and shareholders throughout Canada are becoming more and more restive at the delay and inaction of the management of the Saguenay Pulp & Power Company in not distributing the stock of the Quebec Pulp & Paper Mills and winding up the old company.

Unfortunately, also, the president of the Saguenay Pulp & Power Company is understood to have a personal claim for salary amounting, it is said, to $30,000, against the Quebec Pulp & Paper Mills, which is now being arbitrated. The delay in distributing the assets of the old company has brought the thought into the minds of many irate shareholders that the president's claim is a factor in holding up the distribution.

The time to wind up the Saguenay Pulp & Power Company—or else to have an explicit statement sent to the shareholders—appears to have arrived long ago.

PASSING ESTIMATES

DURING the recent discussion in the House of Commons on the reform of the rules of the house, Henri Bourassa, who is, despite his somewhat unconventional ideas on many subjects, one of the most thoughtful of our parliamentarians, introduced some criticisms of our present system of passing governmental estimates through parliament.

Mr. Bourassa referred to a phenomenon that has often attracted the attention of business men. This is the habit that parliament has of wasting hours on the discussion of paltry votes for a tower clock here, a wharf repair there, a watchman's salary in Podunk and an extra charwoman in Bingville. The hours so wasted consume practically all the time that can be taken for discussion of the estimates of expenditure and in the closing hours of the session it is always necessary to vote millions of dollars almost en bloc.

The French parliament has improved on the British practice, Mr. Bourassa thinks, for it has formed a standing committee on the budget that sifts the various items and discusses them in detail. The revised estimates are then presented to parliament for approval, and only broad principles need consume the time of parliament as a whole.

Under parliamentary practice, special standing committees may call for evidence from officials or outsiders; and are generally free from the ordinary rules of debate. The railway committee has listened recently to Sir Henry Thornton and Premier Oliver, of B.C. The banking and commerce committee listens to experts and interested parties by the score. But when the house is discussing the estimates it cannot even listen to a government official. As Bourassa says:

> "I think it is a ridiculous proceeding we have here when estimates are going through, to see a couple of chairs brought in and placed in front of the minister for a couple of officials who are supposed to know all the matters that are going to be considered. Very frequently they do not know, and very frequently the minister does not know a word about the subject under discussion. A question will be put to him by an hon. member; then the minister interrogates the official, gets some answer, repeats it to the committee, objection is made to it, then a further consultation takes place. Certainly this little talking business does not conduce to a proper elaboration of the estimates. If we had a permanent committee of supply, all that work would take place in that committee, which would function just like the committee on railways and canals, or the committee on miscellaneous private bills. The permanent officials would be interrogated by the members of the committee right there, and would give their evidence at first hand."

Mr. Bourassa has placed his finger on a weak spot in our parliamentary system. Whether or not he suggests the proper remedy is debatable. There are many who would like to see a director of the budget appointed such as exists in the United States to draft the government's budget and enforce adherence to it.

WHERE IT HURTS

IT IS a particularly healthy indication of the trend of thought in Alberta that more than one organization is protesting against the legislative impairment of the security of capital invested in that province. The Lethbridge Board of Trade recently took up the problem created by much of the iniquitous legislation passed in recent years in Alberta. Now the Calgary Albertan adds its strong voice to the protests against legislation that frightens away capital. It says:

> "There has been, unfortunately, too much legislation in the western provinces tending to weaken the security of capital investments. The result has been to scare capital away. Constant interference with loan laws has driven much available money out of this province. It has also tended to make capital now here more expensive than it ought to be. It is not so long ago since a mortgage company in Winnipeg dealing in farm loans for many years decided to wind-up. While it was a going concern able to pay one hundred cents on the dollar, the official explanation was summed up as follows: 'Restrictive legislation in the prairie provinces, especially Alberta, has made the mortgage business more hazardous and reduced profits.'"

"Irritating and unnecessary legislation is bound to bring its own punishment in making it more difficult to secure money at reasonable rates." This is the opinion of The Financial Post, but it could not have been better expressed than in these words by the editor of the Albertan.

NOT MUCH SALUS

MONTREAL is a charming city, but its maladministration reaches heights which are stupendous. Such maladministration is well exemplified in three recent occurrences.

Between 70 and 80 children perished in a moving picture theatre fire in Montreal. There must be something the matter with the theatre fire inspection system in the city to allow such an occurrence.

The majority of the members of the city council have recently been endeavoring to purchase the Montreal Water & Power Company's assets at what amounts to a ridiculous figure which gives the present owners of the property more than 100 per cent. profit within a period of a few months.

Finally, there is at present a typhoid epidemic which is raging in the city. Medical authorities agree that a large typhoid epidemic cannot occur in an ably-managed city.

It might be said that the municipal government of Montreal is a matter which is the concern only of the citizens, but a closer examination hardly reveals this to be so, for to mention only one of the far-reaching effects of such maladministration, Canadian milk products from the vicinity of Montreal are now debarred from sale in U. S. markets. There are many other and perhaps equally bad effects which will accrue to Canada generally through such an administration as the city of Montreal now possesses.

Both the Montreal Board of Trade and the Montreal Chambre de Commerce are up in arms against the Montreal Water & Power deal. These two organizations, and other business men, especially in the province of Quebec, could, if they saw fit, bring about the appointment of a provincial commission to govern the city of Montreal, and thus to sweeten the name of the city, not only in Canada, but in other countries.

The Dominion of Canada as a whole cannot afford to have an ill-governed metropolis. Once before in Montreal's history it became necessary for the provincial government to appoint a commission to administer its affairs. Business men are convinced that the time for similar action is once again at hand.

Montreal has a motto: Concordia salus. Unless some action be taken the city may still retain the harmony, but it certainly can not continue to claim the safety.

SOMEWHAT GREEDY

BECAUSE The Financial Post took a stand for the adoption of the Duncan report recommendations as more likely to be of real benefit to the Maritime Provinces than political "hand-outs" in the form of public buildings, wharves, dry-dock subsidies, etc., the St. John Telegraph-Journal speaks of us as "patronizing" and "little Canadian."

No one objects to all necessary and proper federal expenditures in the Maritimes as well as elsewhere in Canada. But apparently the St. John Telegraph-Journal wants the Duncan report, plus necessary expenditures in public works, plus "hand-outs" of unnecessary public works. If The Post was "slurring and impudent" the St. John paper shows itself sectional and greedy.

PROVINCIAL RIGHTS

THE Georgian Bay Canal discussion has raised a very sharp issue between the Dominion government and the provincial governments. The federal government has taken a stand that will bring it into very vigorous conflict with the various provinces. Ontario and Quebec will certainly not agree that the Dominion of Canada holds the control, that it claims, in the water powers of streams that are navigable or capable of being canalized. Such a policy would upset all understandings that have been established over a term of years.

Lawyers will be able to argue the respective claims of the Dominion and the provinces for many months. Undoubtedly they will so argue and fat fees will be paid to gentlemen who will quote conflicting agreements, maps, surveys, bills, acts, decisions, precedents, etc., by the ton. But in the ultimate analysis the issue gets down to this: that since water power became of any value whatsoever, both the Dominion and the provincial governments have taken for granted that the development of power is a matter for provincial jurisdiction. This being the case, the Dominion government should keep its hands off provincial rights. In raising claims to power rights on the Ottawa River, the Dominion government is creating an issue that is capable of the most serious consequences. It was a question of state versus federal rights that rocked the United States with civil war; slavery was at best a side issue, just as the question of private or public ownership of the Ottawa powers is a side issue in the Georgian Bay discussion.

Canada has been for so many years free of acrimonious dispute on the question of jurisdiction that it is to be hoped that the Dominion government will not start trouble now.

EDITORIAL NOTES

YELLOW, white and red in China suggest the Queen's football colors and the scrimmaging around Shanghai its team.

* * *

PROPOSAL to label Nova Scotia apples "Evangeline" may give Longfellow's heroine a chance to make the apple famous where Eve only made it notorious.

* * *

"EVEN HOMER......" The Wall Street Journal, which ordinarily displays an excellent fund of knowledge on Canada, speaks of the "provincial department of agriculture for Canada."

* * *

ARTICLE on China, written for The Financial Post by M. M. Wilner, and appearing on this page, shows what the London Times has also pointed out, that the pro-Soviet group among the Chinese Nationalists are using the same propogandist weapons, in advance of their armies, that were used in the disruption of Russia. Moscow has tried—and is still attempting—similar methods in Canada.

* * *

THE POINT has been raised in this country that as trust companies are specially controlled by government departments and are subject to very heavy restrictions on their operations that the word "trust" should not be used by other types of organizations. The rise of the investment trust has brought the issue into the realm of practical politics. At a recent meeting of the Barrier and General Trust of England the chairman announced that company would voluntarily change the word trust to read finance company in order that it would not be confused with the ordinary investment trust companies. If the distinction between a finance company and an investment trust is important then the distinction between an investment trust and a trust company is equally important.

Red Influence in China Backs Present Attack on Foreign Settlements

Chiang Kai-Shek, "Boy General," Was Trained in Soviet Capital — Agitators Lead Armies of Cantonese Forward

By M. M. WILNER.

Until last August, the civil war in China was distinctly a struggle between rival military chiefs, each of whom professed to be a whole-hearted patriot striving to pacify and consolidate the country—in his own hands. Perhaps every one of them did believe sincerely that the salvation of the nation depended on its acceptance of his rule. Politicians in other lands have been known to develop such ideas of their personal importance. Perhaps none of those Chinese chiefs had even a grain of honesty or dependability. There are those who say so. Anyhow, every man of them might claim to be a fully qualified democrat in the sense that applies that word to one who raises himself to power from the humble and obscure walks of life. That point is worth noting now that a group of entirely different character has assumed for itself the exclusive right to use the much-abused word "democracy" in China.

Old Aristocracy Gone

Among those who exercised power eight months ago there was not one of the old aristocrats who used to govern imperial China. Those proud mandarins and tuchuns of the China of other days disappeared somewhere and somehow in the clash of revolutionary forces between 1911 and 1926, and nobody, it would appear, has even remembered to ask what became of them. Of the men who stood in the front of the turmoil last August, one had begun his career as a bandit, another was first heard of as a captain in the army, another had risen from corporal, another from sergeant, and so on. Yet each had his individual army and his province or group of provinces to govern, and, strange as it now appears in the light of what has happened since then, eight months ago those quarrelsome chiefs had come so near to effecting the unification of China that only the district centering around Canton in the south remained to be pacified.

Fatal March South

Chang Tso-lin, the ruler of Manchuria, and Wu-Pei-fu, who controlled the central provinces along the Yangtze, had formed alliance and driven out of Peking the Christian general, with Russian Bolshevist leanings, Feng Yu-hsiang, who fled to the Russians in Mongolia. Little has been heard of him since then, but if he is still a Christian his heart well may bleed for his co-religionists in China. Chang and Wu, old enemies that they were, did not attempt to organize much of a government, but they did meet and separate again without perpetrating any tragedy. And they apparently agreed that the next thing to do was to dispose of that one little corner of rebellion that still remained troublesome in Canton. Wu marched an army to the south for that purpose. He pushed his advance well down toward the borders of Kwantung province, of which Canton is the chief city. There the tide turned. Wu's army was shattered beyond all future usefulness. While the northerners had been allying and eliminating, the danger in the south had developed to proportions hitherto unsuspected.

Forty Year Old "Boy General"

At the moment of Wu Pei-fu's defeat, it was commonly assumed that the strength of the Cantonese was due merely to the appearance of another military leader with more education and better preparations for his work than the generals from the ranks had acquired. The missionaries began to call Chiang Kai-shek the "boy general," though he is only a year under 40. It is out of fashion nowadays to remember how old Napoleon and Alexander were when they became generals. In view of the turn which events have taken, however, it may be important to note that Chiang is far from qualifying as a proletarian. His family were tradesmen—that is, bourgeoisie, according to the classification of the Third Internationale. He was sent to the national military academy in the days of the empire, when Chinese soldiers were being taught to goosestep. Then he went to Japan for further instruction and returned home in 1911 to join the revolution as a well-educated young officer. He attached himself to the fortunes of Sun Yat-sen, and that kept him a revolutionist most of the time thereafter. He is said to have made during this period a million dollars by speculating in exchange, but, what is more marvelous, he is alleged to have given it all to the cause.

When Sun Yat-sen turned to Moscow for the support of his Socialist ideas which he had failed to win elsewhere, Chiang was sent to the Soviet capital for more instruction. On his return he was put in charge of Sun Yat-sen's new military academy, with a few Russian officers to assist him, and when Sun Yat-sen died the next year Chiang stepped into the vacant leadership. He trained his officers, organized and equipped his army and put it under discipline, as a man of his education might have been expected to do. That was enough to account for his success over Wu Pei-fu, and, if that were the whole story, foreigners might feel only a normal and friendly interest in him. Certainly they would need to entertain no more anxiety than they showed during the eighteen months when Feng Yu-hsiang, who also leaned to Moscow, with Sun Yat-sen at his elbow, was holding power in Peking.

Agitators Form Vanguard

With the advance of Chiang toward the Yangtze valley in pursuit of Wu, however, it became apparent that there was a more ominous force in the southern movement than was represented by a capable general. Ahead of the army stole agitators carrying the appeal for proletarian revolt, class revolution, political strikes, popular uprising. The propaganda crept into the ranks of the northern armies and had a great part in winning for the Cantonese the series of victories which have put them in possession first of Hankow and Wuchang and, more recently, of the native part of Shanghai and Nanking. Moreover, behind the advancing southern armies came swarms of organizers to apply the ideas of social and economic revolution which the propagandists had preached. Missionaries grew enthusiastic over the discipline and good conduct of Chiang's troops. They had to turn their schools over to striking students and leave the country when Chiang moved on, and the civilian organizers of the new scheme of government arrived.

The imitation of the methods of the Russian Bolsheviki in this feature of the Nationalist campaign is so close that it would matter little whether Russians personally had any part in it or not. Nevertheless, it would be an incomplete narrative which ignored the fact that, towering conspicuously among the southern leaders, is the sinister figure of Michael Borodin, formerly agent of the Third Internationale at London, whence he was expelled by the British authorities, but not before he had established close relations with "Emperor" Cook. The conclusion that his is the directing mind which has given the Chinese revolution a Bolshevistic color, menacing to all western civilization, would appear to be inescapable except by those who are not yet convinced that Bolshevism even in Russia is a menace.

Follow Communist Policy

The Cantonese movement has gathered to itself a group of enthusiastic young men, not to mention women, who were educated in the universities of the United States and Europe, and it also has recruited the mass of students from the mission and other native schools. These youths ought to be, and perhaps are, the hope of China. Their friends say that they are merely using the Russians temporarily as an aid to success in their revolution and that the agents of Moscow will be cast out when no longer needed. Judging by the program which the Nationalists published in 1923, they aim at nothing more radical than the initiative, referendum and recall, government ownership of transportation and some similar fancies of western university faculties. The actual plan of government under which they are now operating, however, is much the same that exists in Moscow. The Kuomintang, commonly translated people's party, is a membership society, which, if not secret now, is formed on the same principles that such organizations evolved in the days when they had to be secret, just as is the Communist party of Russia. The Russian Communists probably borrowed the idea from the Chinese, for it is old in the East, but its origin signifies little. Controlling the society, and, therefore, exercising the concentrated powers of government, is the Central Executive Committee, which in practice is self-appointed and self-perpetuating. That is the same kind of power that governs Russia. Dictatorship, either by the committee or an individual, is the only course of evolution to be expected from such a start.

Bolshevism Causes Trouble

It does not follow, however, that the Chinese Nationalists are Bolshevists or Communists. The particular reason for the outbreaks that have forced foreigners throughout southern China to flee to Shanghai is that a large element among the Nationalists are not Bolshevists. In order to make the movement fully Bolshevist, the radicals must win the people away from the moderates, and the effective way to do this is to sprinkle foreign blood in the faces of the proletarians and to fill their arms with looted foreign property.

It is the Bolshevist element alone that has made serious trouble for foreign governments and their nationals. It is true that all factions, north and south alike, have raised loud complaints against the extraterritorial privileges and customs restrictions embodied in treaties with foreign nations. Both the British Foreign Office and the State Department of the United States have offered to negotiate upon these matters as soon as there is a government that can speak for China. But whatever may be said about them, they are subjects which are obviously beyond the comprehension of any but the small educated class among the Chinese. No proletariat, in China or elsewhere, ever

(Continued on page 14)

Bolshevism in China

An Editorial in Barron's, New York.

It is a quarter of a century since the last Chinese outbreak, the Boxer rebellion, and it will be remembered that the "foreign devil" was the dangerous stimulant used to keep the fires of mob hatred alight. Those fires died down and had practically burned out long before the time of the Great War. It was not until the Russian Soviet had established itself in Moscow, and was beginning to reach out for further conquest, that there was any unrest in China. There are European educational institutions and missionary stations far into the interior of that great country. These were looked upon with tolerance and even affection by the Chinese themselves, not merely those in authority, but by the working folk and those among whom the European trader or teacher carried on his work. There was no hatred of the foreigner as such, although it is quite probable that some unscrupulous foreign trader on one or other of the great navigable rivers might have given just cause of offense, exactly as dishonesty by a German or an Englishman in the United States might excite race prejudice here.

This is so clearly a matter of record that the attempts to whitewash the Communist machine with its headquarters in Moscow are more flagrantly obvious than usual. The charges against the foreigner have a familiar sound. They are exactly like the counterclaims which the Bolshevists made when they confiscated foreign property in Russia and repudiated their foreign debts. Few people read fables nowadays, but that of the wolf and the lamb is strictly to the point. The wolf was drinking upstream from the lamb, but accused his intended victim of fouling the water. This is the only kind of charge which has been brought against the foreigner in China.

The exploitation of the labor of women and children in the cotton mills by Europeans, a charge readily swallowed by anti-British organizations here, was shown to be a myth by The Wall Street Journal the other day which pointed out that less than 2 per cent. of the cotton mills were owned by any but Chinese, and that these Chinese mill owners opposed the attempt of two out of the three foreign (British) mill owners to restrict the exploitation of child labor. The Soviet hand is unmistakable. It is not less apparent in China than in the manufacture of evidence after the fact to make a case for the confiscation of American property in Mexico.

Massey-Harris

We have prepared a special analysis of this company which may be had upon request.

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French Line

Do you consider the recently issued French Line bonds to be a good investment?

The French Line bonds are guaranteed by the French Government and we believe them to be an excellent investment for you have the double security of the mortgage on the vessels and the guarantee of the French government.

Port Alfred

Some years ago my wife purchased $3,000 in Bay Sulphite bonds, which were exchanged for first mortgage, 6½ per cent. bonds of the Port Alfred Pulp and Paper Corporation. If it is not too much trouble, would you favor me with an expression of your views of the standing of these bonds, and also their present market price?

The present price of the first mortgage 6½ per cent. bonds of the Port Alfred Pulp and Paper Company is between 102 and 103. The issue is well secured and last year earnings available for bond interest after all charges, including bank interest, depreciation and depletion amounted to $567,000 as against the bond interest of $254,000. The Port Alfred Pulp and Paper Company is in excellent shape and its bonds are well regarded.

Guelph Carpet

Do you believe the bonds of the Guelph Carpet and Worsted Spinning Mills to be a good investment?

The bond issue of the Guelph carpet and Worsted Spinning Mills has all the appearance of a satisfactory investment. The issue is well secured both as to assets and earnings which, over the last three and one-half years have been equal to over four and one-half times the interest requirements of the bond issue. The bonds are a good industrial issue.

International Power

Let me have an opinion, please, on the preferred and common shares of the International Power Company.

International Power preferred is an excellent stock for a business man who desires to increase the total yield of his holdings. The common stock has undoubted speculative attractions and we believe should show a satisfactory appreciation over a term of years.

The diversification of the company's security holdings makes for stability in its earning power.

Detroit United

The Detroit United shares are again being quoted at about $4 on the market. Are they worth that price?

Our opinion of the common stock of the Detroit United Railways is that it is a poor purchase no matter at what price it is offered.

The company is still in the hands of the receiver and the interest on its bonds is still in arrears and as far as we are able to learn there seems little chance of the company passing out of the hands of the receiver. Therefore, we must advise you not to purchase the stock as we consider it to be highly speculative.

Dom. Ind. Alcohol

I am rather surprised that your column "Your Investments" carries no comment regarding the selling campaign conducted by Continental Bond Co. to place Dominion Industrial Alcohol stock. Probably you do not consider any other of your readers are quite such easy picking as I and need no warning.

The writer has had a long talk with Col. J. A. Currie, regarding the activities of the Continental Bond Co. in selling stock in the Dominion Industrial Alcohol.

We have been unable to get any very definite information as to the capitalization of the company excepting that there are 500,000 shares of no par value authorized. The question of great moment is that control probably will rest in the hands of Col. Currie and his immediate associates. Apparently some large blocks of the common stock have been allotted to the promoters. Col. Currie has declined to state how much this allotment is.

He asserts that no one in his employ has been authorized to sell stock in this company without definite explanation of the pooling arrangement.

City Dairy Preferred

I would be glad if you would tell me whether you consider a change in shares of a few City Dairy's, bought at $100, for Hamilton Dairy preferred, at present prices.

The preferred stock of City Dairies, Toronto, is a high-grade investment. The preferred stock of Hamilton dairies is somewhat speculative in view of the comparative youth of company and because there may be some difficulties to overcome in the consolidation of the several businesses which went into the merger last year. We would not advise the change suggested unless you care to give up a sound investment for one which has a less assured future.

Twin City Transit

Will you please let me have your opinion of Twin City Rapid Transit common stock?

I have 100 shares. Would you advise me to hold them? Do you think I would be wise to purchase additional stock at present value?

Twin City is one of those utilities which probably have come through their worst period since the war. Although the dividend rate was reduced recently, it is thought that the action was intended to have some political effect in St. Paul and Minneapolis, and that the extra 1 per cent. will be paid shareholders at the end of the year.

It is known that earnings in January were considerably ahead of earnings in January of a year ago. Taking the long view, investment in Twin City should result well.

One hundred shares of this stock appear to be a somewhat large investment, and in view of this we would not suggest increasing your holdings while there are other investments also of merit. If you are interested in utility stocks we do not think you could do much better than buy Brazilian. Various Canadian industrial stocks also are promising at this time.

Cordasco's Bonds

C. M. Cordasco and Company, of Montreal, is now offering 1,000 rouble, 4 per cent. bonds, issued in 1894 by the Russian government, at $25 per 1,000 roubles. Please give me your opinion of such a speculation, and let me know what possibility there is that these bonds will be redeemed eventually.

So Cordasco is offering to sell you these 1,000 rouble bonds at $25 each. There is nothing to prevent him offering them at $25 or $125 each, but from another dealer in European bonds we obtained a price on this issue of $6.50. The last is the seller's price. If you wish to sell these bonds at the present time you could obtain $5.50 each for them. Thus, you will see that Cordasco and Company offer bonds at a ridiculous price. Frequently in the past The Financial Post has counselled its readers to do business with firms other than C. M. Cordasco and Company and again we pass this advice on to you.

Our opinion of the bonds is that you have very little chance, if any, of obtaining any appreciation. We do not think there is a chance of the Russian government ever meeting the obligations of its pre-revolution issues, except in the case of some external bonds.

Brantford Cordage

Please give the reasons, if possible, why the public should be shy in buying the stock of Brantford Cordage Co. In spite of a so-called bad year in 1926, a nice surplus was put aside. To see most preferred stocks selling well above par seems to put Brantford Cordage out of line.

The mining company you mention is as yet only a prospect.

The reason that the public has been somewhat reluctant to invest in Brantford Cordage Co. is that although their earnings last year were at a substantial figure they were almost exactly half of the earnings of the previous year. There cannot be such a drastic drop in earnings without some cause, and it was feared that the conditions would continue. The European competition that this company has been facing in Canada probably will not be overcome soon but the company, on the other hand, has been securing some other good orders from abroad. It is anticipated that the works at Brantford will be operated to capacity throughout the fiscal year with the probability that the earnings will be considerably larger than last year.

In view of this the stock should be a good investment for a moderately long hold.

Brooks Steam Motors

You have previously commented on Brooks Steam Cars—at the time we were not particularly interested and failed to keep the information to hand. We are now approached to buy stock in this concern and would appreciate your replying once more through the columns of your valuable paper.

Is the car itself giving a performance equal to all that is claimed for it? Who are the directors, and why is this stock available to the general public at all?

Regarding Brooks Steam Motors.

These cars are being run around Toronto as taxi cabs and are apparently standing up fairly well.

This is the best thing we know about Brooks Steam Motors. The company has produced up to date only a little more than a hundred cars and has expended something like $750,000 in experimental work.

Raising the capital has been expensive and in our opinion the possibility of the shareholders in the company ever getting any return for their investment is extremely remote. The directors of the company are connected with Brooks Securities, Limited. In other words, they are the promoters.

We also direct your attention to the fact that stock in this company can be bought through unlisted brokers in Toronto at less than the price at which it is sold by the Brooks salesmen.

Security Life

As a subscriber to your paper, I would be very much obliged if you would give me your opinion in regard to making further payments on Security Life Insurance Company stock. I hold 10 shares —40 per cent. paid up.

I am enclosing herewith a copy of a letter I received from the Security Life Insurance Company and would very much appreciate your views in regard to the investment of the further money represented by their call for stock.

The Security Life Insurance Company has gone through a rather difficult period in the last few years and although there is a considerable impairment of the capital stock (according to the last annual statement) the company seems to have struck rock bottom and the prospect for its success in the future is considerably improved.

With regard to making further payments on the stock which you already hold in this company, there seems to be no doubt that the wisest thing to do would be to make the payment. As W. O. McTaggart, managing director, mentions in his letter to shareholders the company has been somewhat handicapped through lack of an adequate surplus. The fact that they have reorganized the company's finances without any recourse to further capital, speaks well for the company. As far as we can see, the future looks fairly good for this company and with the additional capital provided by this call they should be in a good position to share in the large annual increases in life insurance in Canada. As you probably know, the company has already about $10,000,000 of insurance on its books and Mr. McTaggart seems to be a man in whom you can place entire confidence.

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The Dominion Square Garage is owned by the Stanley Realty Corporation. The location is probably the best in the City of Montreal. The bond issue of $400,000 constitutes a first mortgage. The value of the land alone approximates the whole bond issue. The property is being operated at a very satisfactory profit over and above all Operating Expenses and Interest Charges. The First Mortgage Bonds are a sound investment.

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When Women Invest

Simple Tests Applied to Investments When Offered Will Avoid Much Loss of Money and Worrying — One Stock That Women (and Men) Should Stay Away From

A REGULAR FEATURE

Women (and this applies to men too) probably lose millions of dollars annually because they do not apply to proffered investments the scrutiny they would give to a bill from the grocer's. Perhaps the reason is that generations of experience have taught women that a bill from a tradesman may be wrong even if the tradesman is honest, while the stock salesman is a newcomer in their ken.

But the manner in which they trust the stock salesman is amazing to anyone who has had occasion to inquire into the merits of speculative offerings bought by women. A woman apparently will believe anything—even that the president of the company has selected her personally as one whom he will give an opportunity to get in on the ground floor. A woman will sign on the dotted line merely because the salesman asks her to or because her grandfather once was in a line of business similar to the business of the company the stock of which is offered.

Women's Reasons

Many women buy stock in a company, it seems, for almost any reasons except good reasons. Disillusionment in such cases comes in a few months, sometimes in a few weeks. The salesman's rosy hope and promises have not come to pass. The so-called investment house which evinced such great interest in her before it got her money, now either answers her letters coldly or not at all. Then she consults the manager of the bank where she had her money and he either writes The Financial Post on her behalf or advises her that subscribers have that privilege.

If the woman investor had taken the trouble to consult her bank manager before she made the investment, or if she had written or telegraphed The Financial Post, considerable losses might have been saved. Grave risks of capital would have been averted. Better expend 80 cents on a return telegram than lose hundreds or thousands of dollars in a proposition which, at the best, is of dubious merit.

Tests Are Simple

Some of these high-pressure salesmen are so skillful and remorseless in their assault on the bank accounts of women investors that they get a contract, accompanied by a check, despite the disinterested advice of the bank manager or other person who has had some experience with investments. To those women who find blandishments of salesmen erasing resolutions based in the don'ts of friends, it is suggested that they themselves apply to the proposed investment a few of the simpler tests.

Questions which must be answered specifically and satisfactorily before a proposed investment conforms to even reasonable speculative requirements include the following:

Is the stock listed on any exchange? If it is not listed. it is not easily marketed.

Will the bank manager loan money on it? If the stock has not a loan or collateral value of at least 80 per cent. of its par value, it is not even a good speculation and cannot be classed as an investment.

Is the stock that of a company which is established? If the company is not established its stock is highly speculative no matter what the field and unless the management and directorate are of high integrity and great experience the chances of ultimate success are extremely doubtful.

Is the organization offering the stock of good reputation? Investment banking houses of integrity do not offer stock which has not a fair classification for investment purposes and such houses are not interested in promotions. There are, however, scores of so-called investment banking houses which are in the promotion business for their own gain regardless of the ultimate interest of their clients. The prospective investor, either by writing The Financial Post or by consulting the bank manager, readily can learn whether or not the house offering the stock is of good repute.

Above all, it should be remembered that good investments will bear adequate scrutiny. Nine times out of ten—yes, 99 times out of 100—the salesman has some ulterior motive in endeavoring to stampede the investor into signing the contract and delivering the check before there is time for investigation or inquiry.

Dominion Alcohol

An Eastern Ontario woman writes The Financial Post to say that she purchased from a salesman for Continental Bond Corp., Toronto, stock in Dominion Industrial Alcohol for $10 a share. The salesman, she says, said that the stock would be listed in April and that the earnings for this year would be $32 the share.

There is no indication that there is any immediate intention to list these shares. As a matter of fact, the shares are pooled and cannot be sold by the purchasers. Owners of the shares have something which is utterly useless to them for the time being.

As for the possibility of earnings of 32 per cent. annually, it would seem that even women with no previous business experience would have reason to doubt the accuracy of a forecast so optimistic. It would be a fair assumption that, if earnings so great were assured, the promoters would hardly give the public an opportunity to participate. Such generosity verges on philanthropy. Continental Bond Co. is not philanthropic.

Is Poor Speculation

Dominion Industrial Alcohol is not an investment with any certainty of return. Dominion Industrial Alcohol is a speculation of a character into which no experienced speculator is likely to put his money. The pool is an objection for the reason that the stock cannot be marketed if, and when, the venture begins to look less promising. Another serious objection to purchase of the stock is that there is no assurance of distribution of profits even if there are profits when the company finally begins to produce alcohol.

There has been an allotment of stock to the promoters. Control of the company rests with the directors, who can say when the pool shall be lifted. Col. J. A. Currie, the president, has declined to say how much stock rests in his hands and in the hands of his immediate associates, but it is believed that the directors and officials will control.

POST-Scripts

SOMETHING new in exhibitions has been "sprung" by Magrath, near Lethbridge, Alberta, namely a "pea exhibition" as a preliminary to the establishment of a pea canning factory. The show will be held in connection with the Magrath exhibifor August 4 and 5.

A HOUSE-WRECKER who travels the world over to find customers for old lumber and fittings! That sounds like house-wrecking de luxe. Such a man was in Toronto this week calling on customers. The old lumber and fittings he had for sale happened to be several hundreds of years old and to have a value far in excess of new lumber, new fireplaces, or new furniture.

This gentleman buys up old manor houses and castles in Britain, when it is necessary to destroy or re-build them, and he sells wood panelling and similar salvage from the buildings to millionaires in other countries, chiefly in the United States, of course.

One Canadian recently purchased three "interiors" in panelled oak, two of them old English goods and the other an early French room that has been in England for the past 200 years.

"MAKING up" a newspaper is a mysterious art that is performed by high priests of the composing room who have one human quality; that is the ability to err on rare occasions. Last week the "make-up" man on The Financial Post put the wrong turnover heads (another technical term) on a couple of articles. The address by George H. Smith at the annual meeting of the Dominion Mortgage and Investment Association, was turned from one page to another under a heading referring to the article by Ralph C. Geddes on life insurance trusts, and vice versa.

But the Montreal Gazette was the victim of a more serious error when large handfuls of type became mixed up between two articles; one referring to a speech by Alderman Trepanier on the Montreal Water and Power deal and the other on the accident to Henry Ford. The result was that the Gazette in one place blamed Frank C. Carson, local manager of the Bank of Toronto, for ramming Mr. Ford's coupe and in another place spoke of Mr. Ford as residing on the top of Mount Royal and paying no taxes to the city of Montreal. The errors may have been corrected in the later editions.

What to buy with April Funds

Our monthly investment bulletin offers a well-balanced list of conservative securities selected to afford such diversification as will meet the most exacting requirements.

A detailed explanation is given of each offering, enabling the investor to make an intelligent selection.

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Character

When buying bonds for investment two factors should be taken into consideration—

FIRST—Property values, revenue producing powers and other tangible elements of security;

SECOND—The character and experience of the investment house which sponsors the issue.

Experienced investors everywhere recognize that the second factor is just as important as the first.

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MINING STOCK QUOTATIONS
Week Ending April 5

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close Apr. 5	Sales for wk.	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low
Allied Mines	.	...	...	4.30	3.85	4.30	15190	..	..	5.50	2.70
Amulet	1	...	...	1.17	85	94	270440	2.89	.90	2.89	.85
Algonquin	1	...	...	2⅞	2½	2½	3500	6¼	1½	5¼	2
Apex	1	...	...	2	2	2	1500	6	2¾	3½	2
Area	1	...	...	34	25	29	100730	1.55	.21	1.95	.29
Argo. Con.	1	...	...	40	35	39	106125	67	18½	58	33
Atlas	1	...	...	5½	5	5¼	81200	5	1⅝	7	2
Acenda	.	...	...	25	22	23	5800	..	..	42	21½
Abana	.	...	...	29	28	28	2500	..	..	31	20
Amos	.	...	...	26	15	15	5100	..	..	56	15
Ajax	.	...	...	27	27	27	1000	..	..	44	6½
Baldwin	1	...	...	2⅝	2½	2½	33200	6⅞	1	4¾	2¼
Barry Holl.	1	...	...	44	36½	37	294300	1.00	.21	1.00	36½
Beaver	1	...	...	68	61	68	23808	99	51	75	59
Bellellen L.	1	...	...	5	5	5	2000	23½	20	23½	5
Bidgood	1	...	...	6	5	5	30000	9⅝	4½	9½	5
Bard	.	...	...	75	30	65	39600	..	..	1.50	30
Bourlamaque	1	...	...	75	50	50	6000	1.45	1.02	1.53	50
Buckingham	1	...	...	6	5	5	39000	7⅝	2	9½	4¼
Boisshatel	.	...	...	8¼	6	7	25300	..	..	27	8½
Cent. Manitoba	.	...	...	1.23	1.16	1.22	7200	..	..	1.37	1.07
Can. Lorrain	1	...	...	40	35	35	27050	93	57	72	35
Capitol	1	...	...	25	24	24	18000	48½	24	34	24
Castle Tre.	1	...	...	99	96	97	31325	1.85	.91	1.27	.95
Chaput H.	1	...	...	8½	6¼	8	50300	22	3⅛	10	4⅝
Clifton	1	...	...	1½	1½	1½	1000	6½	1	2	1
Coniagas	5	...	...	3.60	3.41	3.41	450	4.85	3.00	4.40	3.41
Coniaurum	5	...	...	3.05	2.85	2.85	1031	4.45	3.00	3.50	2.85
Col. Kirk.	1	...	...	2¾	2¼	2½	8500	6¾	2	3⅞	2
Cons. Smelter	25	10	3.86	2.63½	2.58	2.59½	14438	2.65	1.77¼	2.63½	2.42
C. W. Dome	1	...	...	8	7¼	7¾	58300	29½	14	19	7
Crown Res.	1	...	...	7¾	7½	7½	22800	24⅛	8	11¾	7¼
Corona	1	...	...	14	13	14	56000	37½	20	37	11¾
Capital R.	.	...	...	...		..	.....	43	26	54½	18
Destor	.	...	...	...	..	..	.....	41	40	43	40
Davidson	1	...	...	...	..	..	.....	3	1½	3	1½
Dome Mines	None	2.00	23.38	8.75	8.50	8.55	3111	20.00	8.00	10.85	8.30
Don Rouyn	1	...	...	22	18	18	65300	61	25	56½	18
Dupuy	.	...	...	...	..	..	.....	..	..	10	10
Duprat	1	...	...	15	12	13½	199700	35½	10	34½	10
Dubec	.	...	...	46	39	45	26725	..	..	46	35
Fiske	.	...	...	...	..	..	.....	16	12	30½	10
Everett	1	...	...	3¼	3	3	4000	13¼	3¾	5½	3
Goldale	1	...	...	24½	23½	24	15900	43	24	30	20
Gold Hill	1	...	...	44	38	38	140193	73½	25	54	34
Gold Reef	1	...	...	1	1	1	1000	5	1	2½	1
Fisher	.	...	...	77½	75	77	2400	..	..	77½	75
Hillcrest, pfd.	100	7	...	84½	84¼	84¼	15	88	79½	87	84¼
Hill Top	1	...	...	17	15½	16	15000	31¾	20	24	14
Hollinger	5	26	6.23	21.00	20.70	20.85	....	21.00	16.65	22.65	20.00
Grover Daley	.	...	...	15½	13¼	14	141905	32	32	37	12¼
Harvey	.	...	...	15	15	15	25	..	..	16	15
Haultain	.	...	...	...	..	..	.....	..	..	15	14
Howey Gold	.	...	...	50	48	49½	11250	..	..	55	42
Indian	1	...	...	6¼	5¾	6¼	625	14½	3¾	11	4
Int. Nickel, c.	None	2.00	4.65	43¼	40	43	19207	46	33	44¾	38
Jay Copper	.	...	...	...	..	..	.....	1.10	.73	1.26	1.04
Keeley	1	24	17.14	1.45	1.41	1.40	17810	1.91	1.39	1.46	1.37
Keora Mines	1	...	...	5½	4¾	5	20450	22	11	13½	4¾
Kirk. Hunt.	1	...	...	17	14¼	17	56350	34	8½	35	14¼
Kirk. Lake	1	...	...	98	85	97	128215	1.44	69	1.00	.85
Lucky Jim	.	...	...	...	..	..	.....	..	..	21	20
Lake Shore	1	40	2.16	18.50	18.00	18.00	9625	16.15	9.5	19.00	15.40
Lakeside	1	...	...	3¼	2	2	154760	10	1½	6	2
Laval	1	...	...	29½	25	27½	70450	45¾	21	55	20
La Rose	1	...	...	...	..	..	.....	39	4	12	7
Lorrain	1	...	...	2¼	2	2	9500	15	2	3¼	2
Lorrain T. L.	1	...	...	...	..	..	.....	1.10	.30	.40	.25
Marclay	1	...	...	...	..	..	.....	35	30	42	34½
Macassa	1	...	...	26	25	25	8700	43	25	37	22
McKinley	1	...	...	13½	12¾	13	38450	26	8½	17½	11
McIntyre	5	20	4.00	25.00	24.50	24.95	4465	29.75	22.70	27.50	24.50
Millcrest	1	...	...	...	..	..	.....	6	4½	6	4
Mining Corp.	5	12½	...	3.35	3.15	3.30	12254	4.45	2.60	3.50	2.90
Moneta	1	...	...	10	10	10	2000	18	11	14	9
Montreal Rouyn	1	...	...	16	15	16	2100	60	13	33	10
Noranda	None	...	...	21.75	20.65	21.45	19968	24.75	12.00	24.35	19.95
Newray	1	...	...	33	30	30	1800	45	31	33	30
Night Hawk	1	...	...	5	4½	4⅞	20000	17	3¾	8½	4½
Nipissing	5	12	7.89	8.00	7.58	7.60	8430	9.25	4.90	10.30	7.20
Ophir	1	...	...	...	2	2	3000	4	½	4⅝	1¾
N. A. Lead	.	...	...	2.15	2.00	2.15	12820	..	..	2.15	1.71
Pete. Lake	1	...	...	8	7	7	7500	..	..	14	7
P. L. Cobalt	1	...	...	...	..	..	.....	32	14½	18	7½
Porc. Crown	1	...	...	7½	6	6	16300	12	4	11	6
Pioneer	1	...	...	1.02	1.00	1.02	14450	1.22	.66	1.18	1.00
Premier Gold	1	32	14.95	2.15	2.12	2.14	19200	2.75	1.83	2.30	1.86
Preston	1	...	...	4	3	3½	13500	9⅞	4	6	3
Potter Doal	.	...	...	49	37	45	70925	..	..	65	32
Rouyn	1	...	...	2½	2	2	7100	9	1⅞	5	2
Rouyn, Que.	1	...	...	...	..	..	.....	4½	1¼	4⅝	1½
Power & Mines	.	...	...	1.28	1.29	1.20	15000	..	..	1.17	1.00
South Keora	1	...	...	15	15	15	1100	35½	5	64½	10
Stadacona	1	...	...	19¾	13	15½	134650	51	40	55	13
Teck Hughes	1	10	1.47	6.85	6.32	6.80	61808	5.55	2.64	6.80	5.37
Timiskaming	1	...	...	5	5	5	5500	15¾	6	7	5
Thomp. Krist	1	...	...	...	..	..	.....	3½	1	1	½
Tough Oakes	1	...	...	47	43	47	70520	66	36	62½	39
Towagamac	.	...	...	3.60	2.90	2.90	17354	6.10	3.15	5.75	2.90
Do., Rights	.	...	...	1	1	1	200	..	..	19	1
Vic. Silver	1	...	...	9	8	8	39950	10½	3	14	4½
Vickers	1	...	...	38	35	38	11650	1.22	.13	1.46	.35
Vipond	1	...	...	1.48	1.41	1.41	36145	2.02	1.49	1.75	1.25
Sylvanite	1	...	...	4.00	4.00	4.00	500	..	..	4.30	2.60
Siscoe	1	...	...	...	..	..	.....	..	..	20	12
Ribago	.	...	...	30	25	25	3300	..	..	87	25
St. Anthony	1	...	...	30	30	30	3000	..	..	31	16
West Dome	.	...	...	...	..	..	.....	..	..	10½	7
Vac. Gas.	.	...	...	15	12½	12½	23600	..	..	26	3
Que. Prov.	.	...	...	...	..	..	.....	..	..	6.00	3.95
Osisko	.	...	...	...		..	.....	1.94	1.05	1.75	.50
Wakenda	1	...	...	3½	3	3	7500	2¾	1	5	2
Wasapika	1	...	...	1½	1½	1½	2000	4	1	2	1
West Tree	1	...	...	3	3	3	3600	4	2	4	3
Wettlaufer	1	...	...	2	2	2	500	10	2	3	2
Wigwam	.	...	...	...	..	..	.....	..	..	4	3¾
Wright Har.	1	37½	3.54	10.80	10.55	10.59	14957	10.00	7.75	11.00	9.35

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & com.	3	4
Do., 1 pref. & 2 com.	..	8
Can. Machinery, com.	5	7
Can. Westinghouse, com.	184	190
Chase, A. W., com.	..	7
Do., pref.	..	75
Goodyear Tire, 6% pref.	97	..
Gunns, Ltd., pref. (new)	100	103
King Edward Hotel, Deb. A.	76	79
Farmers Dairy, com.	63	..
King Edward Hotel, Deb. B.	68	71
Loew's Buffalo, pref.	47	53
Nat. Grocers, 1st pref.	94	96
Nat. Grocers, com.	2	5
Continental Life, 20% paid	45	50

	Bid	Asked
Crown Life	150	..
Empire Life	26	29
Excelsior Life, 20% paid	66	..
Great West Life	420	440
Monarch Life, 10% paid	36	..
Mortgage Discount, pref.	6¼	6¾
Ontario Equitable	27	30
Re-Insurance	27	30
Security Life, 40% paid	26	31
Sun Life, 75% paid	900	..
Toronto Finance, pref.	2½	3½
Canada Life	900	..
Capital Life, 20% paid	21	25
Farmers Dairy, pref.	100	105
Dom. Combing Units	24	32
Dom. Sewer Pipe	53	56

News of Investment Markets

FOREIGN BOND VALUES ENHANCE IN RECENT YEARS

American and Canadian Investors Have Made Many Millions

A glance at the bond offerings of the various houses in Toronto and Montreal soon convinces one of the popularity of foreign bonds among Canadian investors. This may be due to some extent by the paucity of good Canadian bonds and largely because of the lower interest carrying bonds of Canadian government and municipal issues. Since the beginning of the year several Canadian bond houses have participated in large foreign issues placed in New York and when offered to the public here, were quickly sold. In addition, there is a large floating supply of South American and European bonds, which are being carried by Canadian houses owing to the demand among their customers.

One of the strong arguments in favor of these foreign issues, is the likelihood of an advance in price over what was asked when first placed on the market. It appears fortunate that these predictions have come true in nearly every case. Where the bond is sound inherently, investors seeking a higher yield than can be offered by Canadian bonds have turned in their securities and purchased the more attractive foreign issues.

Large Profits Made

This situation is not one peculiar to Canada only; it has happened in the United States on a much greater scale. Alfred O. Corbin of the international investment banking house of F. J. Linsman and Co., estimates that profits of a quarter of a billion dollars have been made by American investors through the rise in foreign bond prices in the last few years. The calculation is based on the present price of representative foreign bonds sold in the American market as compared with their original offering prices. It is said that since the totals in many cases were understated to keep the estimate on a conservative basis, it is likely that the actual appreciation in the value of the bonds is considerably greater than the figures named.

Mr. Corbin selected a list of forty foreign government, municipal and industrial bonds listed on the New York Exchange and compared their original and their present prices to show the striking changes that have taken place. Part of the list follows:

Bond—	Int. rate	Price issue	Price Mar. 2
Argentine, Govt. of	6	96	99⅝
Austrian Govt.	7	90	104
Belgium, King of	6½	94	100
Brazil, Govt. of	8	98½	106⅞
Buenos Aires, City of	6½	96½	100½
Chile, Republic of	8	99	108
Chile, Republic of	6	93½	93
Cologne, City of	6½	97½	99¾
Colombia, Rep. of	6½	98	100½
Denmark, King of	6	94½	105
Dresden, City of	7	94	103⅛
France, Republic of	7	94	103¼
German Republic	7	92	107½
United Kingdom	5½	..	104¾

It is equally true that Canadians have profited by the advance in price of these foreign issues and while their holdings do not aggregate anything like that of the Americans, profits made by appreciation in principle must total up to a very respectable sum.

Dominion Tug and Barge Bonds Offered by J. C. Hogg

The Vancouver house of J. C. Hogg and Co., is offering for public subscription this week $225,000 first mortgage sinking fund seven per cent. 20-year bonds of the Dominion Tug and Barge Co. This is a new company formed to take over the assets of the B. C. Towage and Lighterage Co., the International Towing Co., Ltd., and the Old Dominion Tug and Barge Co., Ltd., and for working capital. Amalgamation of these concerns will make the new company one of the largest of its kind operating on the coast.

Details of the issue are:

$225,000
Dominion Tug and Barge Co. Ltd.
7% First Mortgage Sinking Fund Bonds.
Dated April 1, 1927. Due April 1, 1947.

Business: Towing and lighterage at Vancouver port.

Properties: On consolidation will own and operate 8 tugs and 20 scows, which will be under direct management of Pacific (Coyle) Navigation Co.

Capital	Authorized	Issued and Outstand'g
First Mtge. Sinking Fund 7% Bonds	$300,000	$225,000
Common Stock ($100 par value)	250,000	233,500

Assets: Replacement value placed at $536,000; sound value $402,500.

Sinking Fund: Commencing April 1, sufficient to retire the whole issue by or before maturity.

Earnings: Based on earnings of companies taken in, sufficient to take care of interest and sinking fund charges on present issue.

Security: Secured by trust deed and mortgage on all of company's assets, present and future, specific as to equipment and all other fixed assets.

Bonus: One share of common for each $1,000 bond.

Offered: By J. C. Hogg & Co., Vancouver, at 100 and accrued interest, to yield 7 per cent.

City of Toronto Bonds Sold on Good Basis

As anticipated when tenders were called, the 4½ per cent. bonds of the City of Toronto, amounting to $8,800,000, fetched an exceptionally high bid and one which is higher than any received since pre-war days, the figure of 98.3499 representing a cost to the city of only 4.66 per cent.

The bidding was exceptionally keen, five offers being made by syndicates composed of the most important Canadian and United States bond houses, the successful tenderer consisting of a syndicate of National City Co., Harris Forbes & Co., and Guaranty Co., of New York. The second bid of 97.90 was submitted by a Canadian group of bankers.

The new issue is payable in New York, both as to principal and interest. The bonds are issued in serial form, maturing from 1928 to 1957.

Forthcoming Issues

Provincial Paper Mills preferred stock issue will be forthcoming early next week. This is being handled by Dominion Securities Corporation and while the amount is not definitely known, it is said to be in the neighborhood of $3,000,000.

This is part of the refinancing to be undertaken in connection with the purchase of the paper company from the American owners. It will likely be followed by a first mortgage bond issue of several millions.

An offering will be made by a Toronto house at the beginning of next week of the securities of a Montreal automobile accessory company. It is understood that the company is being reorganized and that under the new management, a connection may be established with a Toronto concern in the same line of business.

As a result of the change in the tariff, effective April 1st, requiring manufacturers of automobiles in Canada to comply with the new regulation of having at least 50 per cent. of the product made from Canadian materials or workmanship, the accessory industry will greatly benefit. The companies engaged in this work have been experiencing excellent business during the past year and a number of them have extended their plants or have such plans under consideration.

TRAYMORE STOCK PUBLICLY OFFERED

Well-known Chain of Cafeterias Plan For Big Expansion

Gairdner and Co. are offering for public subscription $850,000, seven per cent. cumulative preferred shares of Traymore, Ltd., newly organized to take over the assets and management of a chain of restaurants in Montreal and Toronto. This is the second issue of the kind placed in Canada during the past year, the first having been that of Muirhead's, handled by the same company.

The security back of an issue like the Traymore is not in assets, but in earning power. Similar companies in the United States have achieved favorable results and investors have looked upon them with favor.

Details of the issue follow:

$850,000
Traymore Limited
7% Cumulative Preferred Shares
(Par Value $20)

Business: Operating chain restaurants in Montreal and Toronto.

Purpose of Issue: Acquire and consolidate restaurants in above two cities and to supply the company with capital for expansion purposes.

Security: No additional preference shares can be issued unless net earnings are equal to not less than two and a half times dividend requirements on this issue and no obligations other than to bankers and trade creditors and to landlords for leases or purchase money mortgages without consent of holders of two-thirds of outstanding preference shares.

Sinking Fund: After payment of preference dividend shares, 10 per cent. of net earnings to be set aside.

Earnings: Net earnings in past five years have averaged between $90,000 and $100,000.

Capital:	Authorized	To be issued
Preferred Stock ($20.00 par value)	$1,500,000	$850,000
Common Stock (without par value)	150,000 sh.	64,500 sh.

Management and Executive: The president of the company, Mr. G. G. Plaxton, has, with his associates, the controlling interest in the common stock of the company.

Bonus: One share of common with every $100 par value purchased.

Conversion: At holder's option on any dividend date on 30 days' notice at the rate of two common for one preference until April 1st, 1928; three for two from April 1, 1928, to April 1, 1929 and from April 1, 1929, to April 1, 1930, share for share.

Offered: By Gairdner and Co., at par and accrued interest, to yield 7 per cent.

Hermes Building Bonds Sold to Yield 6.6%

From Our Own Correspondent.

MONTREAL.—The Montreal investment houses of Rene T. Leclerc and Geoffrion & Company are offering a $600,000 bond issue of the Garment Centre Capitol, Incorporated, which is to erect the Hermes Building in Montreal. Its location is opposite the Mount Royal Hotel. The particulars of the Bond issue follow:

$600,000 Garment Centre Capitol

6¼ per cent. fifteen year first mortgage sinking fund bonds.

Dated March 1, 1927, maturing March 1, 1942.

The Company: Is to erect a new eleven storey modern store, office and loft building located at the corner of Peel and Burnside Streets in Montreal.

Capitalization	Authorized	Outstand'g
6¼% First Mtge. Bonds	$600,000	$600,000
7% Gen. Mtge. Bonds due 1927	50,000	50,000
Common Shares	400,000	363,000

Sinking Fund: Will retire 40 per cent. of the issue by maturity. Payments commence February 1, 1931, at $14,000 and increase annually to $27,500 in 1942.

Security: The bonds are secured by a first closed mortgage on the land, building and equipment.

Appraisal: Gives a value to the land and the building of $1,013,000.

Estimated Earnings: Net earnings available for interest for the first full year of operation are estimated at twice the interest charges on the bond issue.

Offered: By Rene T. Leclerc and Geoffrion and Company at 99 to yield 6.6 per cent.

Burrard Packing Co. Bonds Issued by Vancouver House

A small block of Burrard Packing Co. bonds are being offered by Fidelity Securities Corp., of Vancouver. The issue amounts to $85,000, of the 15-year, 6¼ per cent. first mortgage bonds. This company operates an abbatoir, packing plant and stockyards in Vancouver and is well known in British Columbia.

Details of the issue follow:

$85,000
Burrard Packing Company,
6¼% First Mortgage Gold Bonds
Dated April 1, 1927. Due April 1, 1942.

Business: Abattoir and packing house.

Purpose of Issue: To complete plant and provide working capital.

Sinking Fund: Provisions to be arranged.

Property: Valued at $151,800 (including equipment and plant).

Capital: Share capital, $300,000 — 30,000 shares, par value $10 per share; paid-up capital $116,310, all issued in B.C.

Offered: By Fidelity Securities Corp., at 99½ and accrued interest, with bonus of two common shares with each $100 of bonds.

RIORDON BOND HOLDERS WELL-OFF UNDER NEW PLAN

Exchange For Inter. Paper Securities Has Been Worthwhile

Those who held on to the bonds of the Riordon Pulp and Paper Co. during the re-organization and since it was taken over by the International Paper Co., have not fared badly. Two years have elapsed since the plan was put into effect, under which each $1,000 old Riordon bond was exchanged for $1,000 principal amount of refunding mortgage 6 per cent., series "A" gold bonds and two shares of 7 per cent. cumulative preferred stock of International Paper Co. Present quotations are 103 for the 6 per cent. bonds and 100 for the 7 per cent. preferred stock, so that the securities which the Riordon bondholders received are worth to-day $1,230. They originally paid $990 for their old Riordon bond, therefore their investment has appreciated $240.

However, during the period of default seven coupons were not paid. Applying this $240 against the unpaid coupon means that the investor received $34.28 for each unpaid coupon, being $68.47 a year for interest or on the investment at 99, a yield of slightly over 6.84 per cent. The holders have since been receiving $60 a year interest on the 6 per cent. bonds and $14 a year dividends on the stock, a total income of $74 a year for 7.4 per cent. Lastly, it should be remembered when considering this 7.4 per cent. yield that, had the Riordon Company remained a solvent and going concern and had not defaulted on their bond interest, there is little doubt that long before this they would have called their 8 per cent. bonds and their refunding bonds would probably have yielded the holders somewhere between 5 and 6 per cent. in line with securities of similar properties at the present time instead of the 7.4 per cent. which the holders are now getting.

City Gas Co. Mortgage Bonds Sold by Midland Securities

The issue of twenty-year 6 per cent. first mortgage bonds of the City Gas Company of London, purchased by Midland Securities, Limited, of London, was sold this week.

This old established public utility company was incorporated as the City Gas Company in 1864 and has been manufacturing and distributing gas throughout the city of London and surrounding district since that time. The property consists of a plant with a distributing system of 110 miles of mains throughout London and part of the townships of London and Westminster.

The bonds now offered to the public are secured by a first mortgage on all fixed assets owned or hereafter acquired and a floating charge on all the undertakings of the company.

City Gas Co. of London
6% 20 Year First Mortgage Gold Bonds.
Dated 1st April, 1927. Due 1st April, 1947.

Business: Manufactures and supplies artificial gas to its customers in the city of London, Ont., and vicinity.

Rates and Tolls: Subject to revision from time to time by the Ontario Railway and Municipal Board.

Capitalization: This issue of bonds, and $400,000 capital stock, of which $228,000 issues.

Property: Artificial gas plant with a distributing system of 110 miles of mains throughout London and part of the townships of London and Westminster.

Earnings: In last five years over three times interest requirements on these bonds.

Assets: According to its last audited statement as of December 31, 1926, had a net worth of over $750,000, after providing for the payment of these bonds.

Security: First mortgage on real and immovable property now owned or hereafter acquired and a floating charge on all the undertaking and other property of the company, both present and future.

Sinking Fund: Trust deed provides for payment, commencing April 1, 1928, which it is estimated will be sufficient to redeem over 50 per cent. of the total issue before maturity.

Offered: By Midland Securities, Ltd., at $100 and accrued interest, to yield 6 per cent.

Interim Payment to be Made on Ames-Holden Bonds

An interim payment of 10 per cent. of the par value of the outstanding bonds will be made to the bearers, or if registered, to the registered holders of the first mortgage 6 per cent. twenty-five year sinking fund gold bonds of Ames Holden, McCready, Ltd., now in liquidation. Payment will be made at the office of the Eastern Trust Co., Montreal.

All persons claiming payment must at the time of payment present to the trustee the actual bonds under which payment is claimed, with all unpaid coupons belonging thereto, in order that a memorandum may be made on the bonds of the amount so paid and the date of payment.

Standard Size Brick is 2¼ Inches Thick

In an article in last week's issue the new standard sizes agreed upon by Canadian manufacturers for brick were published with a serious typographical error. Bricks will be 2¼ inches thick; not 2½ inches as stated. Here are the new standard sizes adopted:

Common brick	8 x 2¼ x 3¾
Rough face brick	8 x 2¼ x 3¾
Smooth face brick	8 x 2¼ x 3⅞

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CURRIE ASSERTS ALCOHOLIC PLANT TO OPEN IN MAY

Port Colborne Venture Has Many Shareholders Who Own Pooled Stock

Col. J. A. Currie, M.P.P., president of Dominion Industrial Alcohol, informs The Financial Post that the plant of Dominion Industrial Alcohol at Humberstone, near Port Colborne, will be in operation in May.

This may be considered good news by shareholders who have become interested in this company through sales efforts exerted by employees of Continental Bond Co., which has offices in the Robt. Reford Building, Bay Street, Toronto. Col. Currie also informs The Financial Post that a suit involving the company, entered some months ago, has been withdrawn.

Sell Stock Widely

Stock in Dominion Industrial Alcohol has been distributed rather widely in the townships and small towns of Ontario. The opening price was $5 the share but this has advanced to $10. The authorized capital is 500,000 shares of no-par value but not all of this has been sold.

Col. Currie says that maximum cost of raising the capital for this enterprise is 20 per cent. and that some stock has been sold on commission of 10 per cent. He asserted that the sale price, less the commission, goes into the company's treasury. He declined to state how much of the common stock originally had been allotted to himself or other persons interested in promoting the company.

Purchasers of stock in this company become members of a pool and cannot dispose of their holdings at any price until the pool limitation is lifted by the directors. In answer to an enquiry from a reader of The Financial Post it was stated recently that, in spite of this pool agreement which is printed on the certificates, Continental Bond Co. would buy back the share of any dissatisfied holder. Several shareholders who wished to take advantage of this offer, say that Continental Bond Co. agrees merely to attempt to find a new purchaser for the shares of dissatisfied holders. Col. Currie says that no commission is charged for this service when it can be performed.

Salesman Used Phone

Another statement made some weeks ago which has attracted attention of some shareholders of the company is that shares were not being offered to any but directors and their acquaintances and others who evinced a wish to participate in the company. "A month ago," says a letter to The Financial Post from a resident of a small Ontario town, "I was induced through one of this firm's traveling representatives, and through long-distance calls from their office, to take a gamble in 100 shares at $10 each."

Col. Currie, however, declares that Continental Bond Co. operates no "boiler room," (the term applied to stock sales efforts by long-distance telephone) and that the only persons approached to buy stock are those who have written for information about it. Col. Currie intimates, however, that he might not have known of all the activities in the office of Continental Bond Co.

Facts About Pooling

Col. Currie defends the pooling arrangement which prevents purchasers of stock from selling it without the consent of the directors on the ground that the shareholders are protected from a drop in the market value through the operations of rival dealers in unlisted securities. It has been pointed out that it enables the vendors of pooled stock to fix a price regardless of what may or may not be the actual value of the stock. It is denied, in the case of Dominion Industrial Alcohol, that sales have been made without the purchasers knowing that the stock was pooled and could not be sold without the consent of the directors.

No Dividends From Wire Co.

Col. Currie also is interested in the Huronia Wire Co., the company which has taken over the Imperial Steel & Wire Corp. of Collingwood. Minority shareholders in Imperial Steel & Wire recently have received a circular letter signed "J. A. Currie" suggesting that they turn in their preference shares and receive in lieu thereof an equal amount of no-par stock of Huronia Wire Co. The only charge, says the circular, would be 25 cents transfer fee for each certificate.

Imperial Steel & Wire Co., of which Col. Currie owned 60 per cent. of the stock, never paid any dividends, although the majority stockholder says that it was profitable and that the earnings were ploughed back into the property. A fire several years ago apparently was disastrous to Imperial Steel & Wire, Huronia Wire Co., its successor, according to this circular, will be in operation in the current building season.

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s. 1940	104	105
Algoma Steel 5s, 1962	29½	30½
Alberta Pac. Grain 6s, 1946	97⅜	98¼
Anticosti Corp., 6½s, 1941	102	103
Bell Telephone 5s, 1955	101⅜	101¼
Belgo. Can. Paper 6s, 1943	102	102⅝
Brandram Henderson 6s, 1936	97½	99¼
B. C. Pulp & Paper 6s, 1950	83	87
Brompson P. & P. 6s, 1946	99⅜	100
Burns P. & Co. 6½s, 1943	103¼	104¼
Calgary Brewery 5s, 1942	88¾	90
Calgary Power 5s, 1940	92⅝	93¾
Canada Lt. & Pr. 5s, 1949	93⅜	94½
Can. Nor. Power 6½s, 1941	101½	102½
Canada Paperboard 7s, 1937	98	99
Can. Steamship 5s, 1943	99	99⅝
Can. Steamship 6s, 1941	97⅞	98⅝
Can. Steel Fndry, 6s, 1936	104½	105½
Davies, Wm., 6s, 1942	93½	94¼
Dominion Iron 5s, 1939	28	30½
Dominion Power and Tr. 5s, 1932	96¾	97¾
Dominion Textile 6s, 1949	106½	108
Drummond Investment 6½s, 1938	99¼	100¼
Duke Price Pr. 6s, 1966	105	105⅝
East Kootenay Pr. 7s, 1942	103½	104½
Elec. Development 5s, 1933	100	100⅝
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98⅝	99¼
Gatineau Power 5s, 1956	96¾	97⅛
Gatineau Power 6s, 1941	99½	100
Howard Smith P. & P. 6s, 1941	104	104⅝
International Paper 6s, 1941	98⅛	98¾
King Edward Hotel 7s, 1944	89	92
Lake Superior P. & P. 6s, 1941	106¼	107½
Laurentian Pr. 6s, 1936	103	104½
Laurentide Pr. 5½s, 1946	101¼	102
Maple Leaf Mfg. 6½s, 1943	103¾	105
Maritime Tel. & Tel. 6s, 1941	103½	105
Manitoba Pr. 5½s, 1951	99	99½
Mattagami P. & P. 7s, 1949	112	116
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	99½	100
Mont. Pub. Service 5s, 1942	99	99⅝
Nor. Can. Pr. 6s, 1945	100¾	102
Nor. Ont. L. & P. 6s, 1946	100¾	101¾
Nor. West Utilities 7s, 1938	99	99⅞
Nova Scotia Steel 5s, 1959	59	62
Nova Scotia 6% Debs.	32¼	34¾
Nova Scotia Tram. 5s, 1946	92	93½
Nova Scotia Tram. 7s, 1952	99½	100¾
Ont. Pulp & Paper 6s, 1931	109½	111
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	105	106
Ottawa Trac. 5½s, 1953	101½	102
Ottawa Riv. Pr. 6½s, 1953	102¼	103¼
Port Alfred P. & P. 6½s, 1943	101¾	102½
Price Bros. 6s, 1943	103¾	104⅝
Prov. Lt. Pr. 5s, 1946	100¼	101¼
Page Hersey 6s, 1946	102	103
Quebec Pr. 6s, 1953	106¾	107¾
Rio Tramway 5s, 1935	95⅝	95⅞
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper 6s, 1946	97¼	98
St. Maurice Pr. 6½s, 1953	107¾	108¼
St. Maurice Valley 6s, 1945	99	100¼
Shawinigan W. & P. 6s, 1950	105	106
Simpson, Robt. 5s, 1952	95	96½
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98¾	99⅜
Spanish River P. & P. 8s, 1941	106½	107¼
West Kootenay Pr. 6s, 1943	103½	104½
Ottawa Mont. Pr. 6½s, 1949	102¼	103⅛
West Pr. of Can. 5s, 1949	97	98

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft. Erie Bdge 7s '55	107½	108½
Do., 8s '45	106½	108
Buff Gen Elec 1st 5s '39	104	...
Do., pref. 5s '39	104	...
Bfo N & E Pow 5s '30	99¾	100¾
Lockport L H & P 5½ '54	103	...
Niag Lock & Ont 1st '55	100¾	101½
N. F. 1st & con 6s 1950	104½	105¾
STOCKS		
Niagara Falls Pow pf.	28	28¾
Niag Lock & Ont pf	113½	114½

This Week's Bond Sales

Manitoba Issue

An issue of $2,169,000, Province of Manitoba, 4½ per cent., 30-year debentures, has been sold to the Bank of Montreal at 96.80. The money, which will cost the province 4.70 per cent., will be devoted to refunding a debenture issue which falls due on May 1.

Saltfleet Township

R. A. Daly & Co. were awarded an issue of $80,000, Township of Saltfleet, 5 per cent. 20-instalment bonds on a bid of 100.31. The bids were:

R. A. Daly & Co.	100.31
A. E. Ames & Co.	100.10
Dyment, Anderson & Co.	100.10
Wood, Gundy & Co.	99.90
C. H. Burgess & Co.	99.67

City of Toronto

The issue of $8,800,000 City of Toronto, 4½ per cent. serial bonds was awarded to a syndicate composed of National City Company, Harris Forbes & Company and Guaranty Company, of New York, on a bid of 98.3499. This represents a cost to the city of 4.66 per cent. The bonds are payable in Toronto, New York and London. The bonds mature from April 1, 1928, to 1957, inclusive.

The list of tenders is as follows:

The National City Company, Harris, Forbes & Company, Guaranty Company of New York, 98.3499.

A. E. Ames & Company, Wood, Gundy & Company, Chase Securities Corporation, New York, 97.90.

The Dominion Securities Corporation, Dillon, Read & Company, New York, Bankers' Trust Company, New York, Canadian Bank of Commerce, 97.503.

R. A. Daly & Company, Blair & Company, New York, Equitable Trust Company of New York, Halsey, Stuart & Company, New York, E. H. Rollins & Sons, New York, Continental and Commercial Trust, Chicago, Canadian Bank of Commerce, Matthews & Company, 97.0789.

Bank of Montreal, Lee, Higginson & Company, First National Bank, Kissel, Kinnicutt & Company, New York, Kerr, Fleming & Company, Hanson Bros., Redmond & Company, New York, Hallgarten & Company, New York, W. R. Compton & Company, New York, Eldredge & Company, New York, National Park Bank, New York, Salomon Bros. & Rutzler, New York, 96.925.

CONIAGAS PLAN TO ERECT MILL ON CONIAURUM

Expect to Have Sufficient Ore This Year to Run 500-ton Plant

Provided sufficient ore is disclosed by operations this season on the Coniarum property to operate a 500-ton mill continuously, Coniagas Mines, Ltd., will proceed with its construction. This is the principal item discussed at the annual meeting of Coniagas, which owns over 61 per cent. of the capital stock of Coniarum Mines, Ltd., which in turn are a combination of the Goldale-Newray-Armstrong-Booth properties in Porcupine.

To date, says the annual report, the bulk of the ore disclosed has been in the central fractured zone on which development work has been concentrated and in which intermittent shoots of commercial ore at the various levels has been disclosed. Sinking of the main shaft to the 1,500-foot level occupied most of the year.

Proposed Developments

It is from operations this year, however, that the greatest results are expected and the projected program of development is to explore the three mineralized zones of fracture at the 1,250 and 1,500-foot levels. Concurrently the present shaft would be deepened to 2,000 feet preparatory to deeper developments. The large area involved and the parallel mineralized zones extending across the property necessarily require considerable patience and expenditure of money, but it is felt by the board that having in view the geological conditions which prevail, the results achieved to date are sufficient to warrant continued vigorous prosecution of work.

Other Properties

Operations on other properties have been fairly satisfactory. The Maiden-MacDonald claims were transferred under option to March Gold, Inc., of Buffalo, for $250,000 cash and 100,000 shares of the stock in the operating company. Under this option agreement Coniagas has received $100,000 cash and 100,000 shares of stock in the March Gold Mine. This company operated a 200-ton mill on the property.

An option on favorable terms has been secured on 70 per cent. of the authorized capital of the Andargo Mines Corporation in the Michipicoten area, Algoma, but, until further work can be done, no official announcement can be made.

Referring to other Coniagas properties the report says that sufficient work was done in Montbray and Duprat townships, Quebec, to disclose geological conditions which warrant further aggressive investigation. An electrical survey will be made in time to get a diamond drill to the property before spring break-up if such survey warrants it.

Strong Financial Position

The financial statement shows tha capital assets were valued at $481,823.08, real estate and equipment at $23,164.57 and capital investment at $1,655,478.51. Investments totaled $1,280,091.45, and current assets $122,936.57. Capital liabilities amounted to $415,151.37, an current liabilities $82,238.13. The reserves for contingencies and depreciation were $348,499.92 and $21,146.07 respectively. The surplus at the end of the period was $2,696,527, the balanc brought down this year being $125,498.75.

Tenders and By-laws

April 9—Fort Frances—$80,000, 5½ per cent., 20-year serial school debentures, repayable in equal annual instalments. H. E. Marr, treas. (See announcement on page 16).

April 7, Province of Quebec—$4,000,000, 30 year, 4½ per cent. sinking fund bonds, or $4,000,000, one year, 4 per cent. notes.

SASKATCHEWAN

Authorizations Granted by the Local Government Board From March 12 to March 26, 1927

Schools — Marlborough, No. 156, $6,500; Pleasantdale, No. 3161, $3,500; Willows, No. 4690, $800; Dufferin, No. 1888, $1,000; Lansdowne, No. 56, $4,625; West Brook, No. 1024, $5,600; North Brock, R. T. Co., $4,000.

Village of Bienfait, $1,800; Gravelbourg R. M., No. 104, $10,000.

Kamsack Town, $25,000.

Schools — Lake Centre, No. 1464, $2,000; Mohawk Park, No. 1341, $3,300; Amethyst, No. 1095, $1,500; Grandy, No. 1540, $2,500; Zenith, No. 2884, $2,200; Clova, No. 806, $2,000; Lily White, No. 4691, $3,000; Brady, No. 234, $1,800; Ft. Qu'Appelle, $12,000.

Debentures Reported Sold

Good Hope, S.D. No. 2674, $4,000, 15 years, 5¾ per cent., Regina P. S. Sinking Fund; Meeta R. T. Co., $1,000, 10 years, six per cent., Sask. Farmers' Mutual Fire Insurance; Khedive R. T. Co., $1,000, 15 years, 5¾ per cent., Nay & James, Regina.

BRITISH COLUMBIA

The following certificates have been issued by the municipal department of the province of British Columbia during the following dates:

January 28, 1927, Corporation of Point Grey, "Local Improvement Loan Consolidation By-law No. 58, 1927," $25,890, thirty years, five per cent.; January 28, 1927, Corporation of Point Grey, "Local Improvement Loan Consolidation By-law No. 59, 1927," $150,696, forty years, five per cent.; January 28, 1927, Corporation of Point Grey, "Local Improvement Loan Consolidation By-law No. 60, 1927," $106,512, fifteen years, five per cent.; January 28, 1927, Corporation of Point Grey, "Local Improvement Loan Consolidation By-law No. 61, 1927," $31,630, ten years, five per cent.; February 2, 1927, City of Salmon Arm, "By-law No. 182, $400, ten years, six per cent.; February 15, 1927, District of Burnaby, "Local Improvement Debenture By-law No. 1, 1926," $67,000, thirty years, five per cent.; February 18, 1927, City of Nelson, "Kootenay Lake General Hospital Society Construction Aid By-law, 1926," $15,000, twenty years, five per cent.; February 22, 1927, City of North Vancouver, "The City Street Improvement and Construction Loan By-law No. 2, 1926," $50,000, fifteen years, five per cent.; February 22, 1927, City of North Vancouver, "The City Low Level Road Paving Loan By-law, 1926," $53,000, twenty years, five per cent.; February 25, 1927, City of North Vancouver, "The City Water Works Loan By-law, 1926," $53,000, thirty years, five per cent.; March 4, 1927, Point Grey, "Roads, Streets and Lanes Loan By-law, No. 661927," $50,000, forty years, five per cent.; March 7, 1927, District of Burnaby, "Burnaby Road By-law, 1926," $100,000, fifteen years, five per cent.; March 7, 1927, District of Burnaby, "Burnaby Sidewalks By-law, 1926," $7,500, fifteen years, five per cent.; March 7, 1927, District of Burnaby, "Burnaby School Loan By-law, 1926," $31,000, twenty years, five per cent.; March 7, 1927, District of Burnaby, "Burnaby Ward 5 District Improvement By-law, 1926," $148,000, fifteen years, five per cent.; March 14, 1927, District of West Vancouver, School Money By-law No. 329, 1926," $50,000, twenty-five years, five per cent.; March 14, 1927, District of West Vancouver, "Road Re-construction Money By-law, No. 331, 1926, $65,000, twenty-five years, five per cent.; March 15, 1927, District of North Vancouver, "Capilano Higher Levels Waterworks Extension By-law, 1927," $35,000, 20 years, 5%; March 17, 1927, Point Grey. By-laws Nos. 1 to 37, "Local Improvements," ten, fifteen, and thirty years, six per cent.; March 21, 1927, City of Salmon Arm, By-law No. 183, $8,000, twenty years, 5½ per cent.

Jugo-Slavia Bonds Offered by American-Canadian Syndicate

A strong syndicate of American and Canadian bond houses, the latter including R. A. Daly and Co., Mathews and Co., and Greenshields and Co., are offering this week $30,000,000, 7 per cent. secured external gold bonds, series "B," of the kingdom of the Serbs, Croats and Slovenes (Jugo-Slavia).

These bonds are a direct obligation of the kingdom, special security being provided in the form of a first charge upon all the net receipts of the state monopolies (tobacco, cigarette papers, kerosene, salt, stamp duties and matches) and customs of the kingdom. There is also a first charge upon the total gross receipts from 3,482 miles of state railways, which the government declares are free from any mortgage, encumbrance or charge whatsoever, as well as of the railway from Belgrade to the Adriatic Sea, and its terminal port, to be constructed.

It is the evident intention of the bankers to secure wide distribution for these bonds, as they are offered in denominations of $1,000, $500, and $100, at a price of 92½, and interest to yield over 7.6 per cent.

Consolidated Smelting Gold Production Off

From Our Own Correspondent.

MONTREAL.—The chief feature of the quarterly production figures of the Consolidated Mining and Smelting Company is the drop in the company's output of precious metals. As compared with the last quarter of 1926, and the corresponding period of former years, the output of base metals has been well maintained. The production figures of the company for the first quarter of the past three years follow:

	1927	1926	1925
Lead, tons	34,153	30,527	20,063
Zinc, tons	16,632	14,439	7,995
Copper, tons	2,345	2,194	....
Gold, ozs.	7,464	12,475	5,614
Silver, ozs.	1,720,088	1,790,758	876,064

The comparison of the figures with the last quarter of 1926 follows:

	First quarter 1927	Last quarter 1926
Lead, tons	34,153	33,394
Zinc, tons	16,632	16,642
Copper, tons	2,345	2,309
Gold, ozs.	7,464	11,687
Silver, ozs.	1,720,088	1,844,119

Open in Vancouver

Evidently British Columbia is to be the happy hunting ground for Canadian life insurance companies this year. Following the announcement of the formation of the new British Columbia Life Insurance Co. comes the opening of a new office in Vancouver by the Empire Life Insurance Co. of Toronto.

Canadian auto parts manufacturers thriving

Despite predictions of Canadian manufacturers that the cut in the tariff would be detrimental, Canada's automobile industry increased 55% in 1926 over 1925.

Why this was so and what it means to investors in the securities of automobile companies and auto parts manufacturers is shown in the current number of "The Investor."

The article points a lesson and an opportunity to all business men and investors.

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LAW CLERK MISSES AMENDING CLAUSES

Railway Board's Plan to Check Village Expenditure Comes to Nothing

One of the private bills passed by the Ontario legislature in the session which ended this week was an Act to validate a debenture debt of $20,000 for sidewalks, sewers and water mains extensions built in the village of Fort Erie last year. The village found itself in trouble because certain requirements of the Municipal Act and the Local Improvement Act were not complied with at the proper time.

But the bill as read a third time and assented to by the lieutenant-governor did not contain two amending clauses inserted at the instance of Ontario Railway and Municipal Board. These clauses would have prevented Fort Erie from embarking on any further sidewalk or paving ventures except under the local improvement plan, with the property benefiting paying 100 per cent. of the cost, and would have given the railway board authority to say whether water mains should be extended. The board, it is stated unofficially, intended to prevent waterworks extensions except where service charges on new sections would have met the debenture costs.

Officials at the offices of the municipal board assumed that the clauses had been included in the bill as approved by the Private Bills Committee. There was no objection to them from the members or from the village authorities. But the typewritten slip, pasted in the bill as printed for first reading, apparently got lost between the board's offices and the law clerks' offices, with the result that the bill became law exactly as it was introduced by W. G. Willson, member for Niagara Falls.

Canadian Western Lumber

The January earnings' statement of the Canadian Western Lumber Co. shows sales of lumber during the month amounting to 8,292,862 feet, realizing $188,363, which compares with 10,867,399 feet, realizing $244,527, for the corresponding month in 1926.

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BOND MOVEMENTS OF THE WEEK

Week Ending April 5

Bonds—	Int. Rate	Due	Yield	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low	Ask	Bid	Latest Price High	Latest Price Low
Asbestos, 1st mtge.	6	1941	5.84	..	..	101½	96¼	101⅞	101	101½	101
Do., gen. mtge.	6	1956	6.57	83¾	81	94⅛	88	92½	92¼	92½	..
Can. Cement	6	1929	5.27	103	100½	102¼	100½	..	101½	102	..
Dom. Iron	5	1929	14.64	94	86	92	69	..	77¼	77¼	..
Montreal Power	5	1933	5.02	99½	99½	100	99½	..	97	99⅞	99¾
Montreal Tram. "A"	5	1955	5.27	95	92½	97¾	94¼	99⅝	99¼	96	95½
Quebec Rly.	5	1939	5.26	100	91⅞	99½	96	98½	97⅝	97½	..
Rio de Janeiro	5	1935	5.68	95½	92	95⅝	95⅜	96⅝	95⅜	95⅜	..
Wayagamack	6	1951	6.11	100⅝	90	100	97	99	98½	98½	..
War Loan	5	1931	4.60	100.40	100.35	101.85	101.00	101.45	101.30	101.45	101.30
Do.	5	1937	4.60	104.95	102.75	104.20	102.90	103.45	103.35	103.35	103.20
Victory	5½	1927	4.70	102.50	100.15	101.00	100.25	100.60	100.50	100.50	100.35
Do.	5½	1933	4.72	106.35	103.20	104.80	103.90	104.15	104.10	104.10	103.95
Do.	5½	1934	4.90	104.40	102.65	104.05	103.15	103.70	103.50	103.75	103.35
Do.	5½	1937	4.67	109.30	106.70	108.00	106.90	107.20	107.20	107.05	107.00
Do., Renewal	5½	1927	4.60	101.95	100.00	100.80	100.20	100.65	100,50	100.35	......
Do.	5½	1932	4.82	103.85	102.00	103.45	102.45	103.35	103.10	103.25	103.15
Do., refund	5	1928	4.65	101.35	99.00	101.00	100.00	100.65	100.45	100.55	......
Do.	4½	1940	4.61	96.95	95.60	98.70	96.60	98.65	98.45	98.65	......
Do.	5	1943	4.76	102.80	101.10	103.00	102.30	102.65	102.55	102.60	102.40
Do.	4½	1944	4.60	97.15	95.70	98.85	98.31	98.65	98.40	98.65	98.31
Do.	4½	1946	4.59	96.90	95.65	98.60	96.70	98.65	98.40	98.60	98.40

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
		Municipal					
Toronto	April	National City Co. and Syndicate	4½%	Serial	$8,800,000	98.3499	4.66
La Tuque	April	Lagueux & Darveau	5%	25-yr. Ser.	69,700	98.08	5.19
Saskatch'n, Schools & Phones	Mar.	Various	....	....	6,000	....	...
Vancouver	Mar.	City Sinking Fund	....	....	2,025,000	100	...
Saltfleet Twp.	April	R. A. Daly & Co.	5%	20-ins.	80,000	100.31	....
		Provincial					
Manitoba	April	Bank of Montreal	4½%	30-yr.	2,169,000	96.80	4.70

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
City Gas Co., London	April	Midland Securities	6%	....	$225,000	100	6%
Dominion Tug & Barge Co.	April	J. C. Hogg & Co.	7%	20-yr.	225,000	100	7%
Burrard Packing Co.	April	Fidelity Securities	6½%	15-yr.	85,000	99½	...
Kingdom of The Serbs, Croats & Slovenes	April	U. S. and Can. Syndicate	7%	1962	$3,000,000	92½	7.60
Stock Issues—							
B. C. Wine Growers	Mar.	R. P. Clark & Co.	8%	Preferred	$50,000	100	8%
Traymore Cafeterias	April	Gairdner & Co.	7%	Preferred	$50,000	$20	...

RUBBER COMPANY REPORT REVEALS GREAT BETTERMENT

Sales, Gross and Net and Working Capital Are All Larger

From Our Own Correspondent.

MONTREAL.—A substantial betterment in total sales, gross and net profits and working capital position is revealed in the annual report of the Dominion Rubber Company for the 1926 fiscal year. The betterment is seen in the following figures which compare the income account and working capital figures over the past three years:

	1926 $	1925 $	1924 $
Net sales	19,708,040	16,791,383	13,749,497
Operation	18,011,275	15,851,737	12,407,049
Balance	1,696,765	939,646	1,342,448
Bond int.	556,000	556,000	556,000
Balance	1,140,765	383,646	786,448
Other interest	97,502	39,775	45,991
Balance	1,043,263	343,871	740,457
Depr.	490,155	....	....
Balance	553,108	343,871	740,457
Pfd. divs.	210,000	210,000	210,000
Surplus	343,108	133,871	530,457
Prev. surplus	6,962,475	6,828,603	6,298,147
Total surplus	7,305,583	6,962,474	6,828,604
The working capital—			
Curr. assets	8,328,881	8,483,269	7,383,360
Curr. liabs.	600,946	1,361,542	605,231
Work. cap.	7,727,935	7,121,727	6,778,129

Balance Sheet Changes

In the balance sheet the property account is carried at $200,000 less than in 1926. In the liabilities, acceptances payable amounting to $631,635 last year have been entirely eliminated, and the surplus account shows the increase noted in the foregoing income account figures. The company's paper under discount at the end of the year stood at $692,642, as compared with $480,415 last year, indicating the increased business which the company is carrying on.

In his remarks to the shareholders, the chairman of the board, C. B. Seger, states that profits were adversely affected by the violent decline in crude rubber prices during the first six months of 1926, which forced drastic reductions in selling prices, especially of tires, before high cost rubber, necessarily carried on the inventories or on commitment, could be converted into finished goods and sold.

RED INFLUENCE IN CHINA BACK OF PRESENT ATTACKS

(Continued from page 10)

could be roused to riot by such a word as extraterritoriality. The appeal that gets mobs into action is one that tells them they have a right to the possessions which they see in the hands of somebody else. Extraterritoriality may make Chinese university graduates see red, but the coolies and peasants have to be shown the picture of a rich ogre who ought to be made to give them more wages or, better still, to have all his property taken from him.

In China the conspicuous outward evidences of wealth naturally are in the foreign concessions. Hence, foreigners have had to serve as the butt of the agitation for redivision of property and dictatorship of the proletariat. And inevitably the personification to the Chinese mind of this rich man who ought to be despoiled is, first of all, a vague ponderous conception called "England." It is never Britain in such agitations.

Bolshevism is China's Enemy

Perhaps that is a penalty for being the world's greatest empire and the biggest foreign trader in China. Great Britain and every other nation doubtless have made bad blunders in dealing with China, and there is room for wide differences of opinion as to which policies were blunders. Those who are most sure about other people's blunders appear to be the intellectuals who proposed to govern 400,000,000 illiterate coolies and peasants by the initiative and referendum. The hope of China, however, is in getting the very things of which Bolshevism would deprive her—foreign capital, education, transportation, factories, employment, more diversified means of supporting a dense population. It can be best realized if the more earnest and honest Nationalists can be persuaded to turn from the Bolshevist element, before it sends them to the firing squad, and to accept as their friends the western nations which alone can help them to a realization of their dreams.

Evidences appear with increasing frequency that such a division among the Nationalists is developing, but the kaleidoscope shifts so rapidly that opinion as to what will happen can be aided only by telling the story of what has happened.

INCOME TAX PROBLEMS

Taxes That May be Deducted from Income

By an Income Tax Expert

PROBLEM NO. 15.

Local improvement taxes, succession duties, provincial and municipal income taxes, business taxes, and additional costs incurred through breach of such tax laws and regulations—can these be deducted from gross income in determining the tax payable to the Dominion government?

Local improvement taxes may be related to the personal place of residence of the taxpayer as well as his place of business; occasioned by improvements to, or adjoining or connected with the property of the taxpayer. The improvement may be as well for the general use of the public as for the individual.

If the tax is in connection with his personal residence it is not allowed as a deduction as it is a personal matter not connected directly or indirectly with the earning of income, although there are some who go so far as to say that style of living is conducive to business and style of living requires fine residences in good localities where the local improvements and upkeep are relatively higher, and, therefore, should be allowed.

Taxes on Business Premises

On the other hand business premises are maintained for business purposes only and one inclines more strongly to the conviction that all that is incurred in connection therewith must be an expense of the doing of the business and should be allowed for as such or at least capitalized and written off by way of depreciation over a number of years.

On examination, however, it is plain that the outlay is in connection with an asset, such as roads, sidewalks and sewers, which are not owned by the business. The asset is owned by the city. Further, it was not all paid for by the particular taxpayer. It was paid for to some small extent by a general levy on the people, although as much as can reasonably be related to the cost of construction is charged to the adjacent property owners, but there remains city overhead and supervision, etc., taken care of by the general levy. Therefore, as an item of depreciation local improvement taxes cannot be allowed because an asset not owned or incorporated in the business of the taxpayer cannot be the subject of depreciation; while as an expense it is a capital outlay along with other taxpayers in the construction of a capital asset. The Act specifically provides that "any outlay on capital account" will not be allowed as a deduction. The fact that it is paid for by annual amounts spread over some portion of the life of the construction does not alter the fact that it is a capital outlay. If, however, there should be such a local improvement that is exclusively for the benefit of the taxpayer and adds to his asset value which he alone pays for, then it should be the subject of depreciation; such, however, arises only in rare circumstances.

Ordinary Taxes Are Deductible

Where municipal taxes are levied as a general rate which relates not to a specific asset of construction such as has just just been discussed, but to all citizens equally for such general purposes as street cleaning, sanitation, police protection, etc., all of which are expenses of the proper conduct and carrying out of daily and yearly business, borne by the municipal residents generally, the measure of each one's burden set up according to the amount of property occupied, then such are a proper deduction insofar as they relate to the business and not the personal residence of the taxpayer.

Many municipalities have what is called the business tax, i.e., arrived at according to the floor space occupied in certain districts. This tax is an expense and has to be paid whether profits are or are not made as a result of the year's business. The business tax is a deduction from gross income for Dominion Income Tax purposes.

Income Tax Not Allowed

Municipal or provincial income tax, however, is not an allowable deduction, inasmuch as no tax on account of income is payable unless there be income. If there be an income the tax is regarded not as an expense but as a division or apportionment of the income as between the taxing authority and the taxpayer. In the absence of specific statutory direction to the contrary all taxing authorities use the same yard stick for measuring income, i.e., net income, not after some other taxing authority has reduced it, but irrespective of whether another taxing authority is or is not using the same yard stick for raising revenue by way of income tax.

Succession duties may be largely governed by the stipulations in the will, but generally speaking they are regarded as capital expenditures or in the alternative not expenditures in the earning of the income, inasmuch as the income of the estate is what it is regardless of the rate of succession duty and to get that income, as district from an expense in the earning of the income, the succession duty has to be paid. This is, of course, even more certain if the succession duty is paid by the beneficiary not in respect of a life interest in the income of the estate but in respect of acquiring certain revenue producing securities which are part of the corpus of the estate. Of course, the rule is not affected by instalment payments or single payment of the duty chargeable.

Expenses of law suits and fines paid in connection with the breach of tax laws and regulations have often been claimed but they should not be allowed as a deduction, although this is not to say that law suit costs in actions arising for breach of contract, etc., are not proper deductions; they are deductions because they are necessarily incidental to the earning of the income and the conduct of the business. If the action arises out of the carrying on of the business by legitimate methods, then, generally speaking, the law suit costs and fees are a proper expense. However, if the customs regulations are offended or any tax regulation or law, municipal or otherwise, and the taxpayer has court costs, penalties and fines to pay, they are not expenses to be deducted from income. If they were it is, if it were a Dominion matter, as if the taxpayer were relieved of the tax rate percentage of the fine and fees. Such are not proper deductions inasmuch as they do not arise in the commercial sense nor are they necessarily incurred in the earning of the income.

Gross Revenues of Railways Increase During February

Gross revenues of railways as a whole were greater for January, 1927, than for the same period a year ago, by $2,432,274, or 7.3 per cent., and operating expenses were also increased by $2,282,721, or 7.9 per cent., according to a report of the Bureau of Statistics. Transportation expenses showed the largest increase, being heavier by $1,268,070, or 8.5 per cent., for an increase of 9.5 per cent. in freight traffic, 2.9 per cent. in passenger traffic and 7.5 per cent. in total train miles. The total pay roll was increased by $1,485,213, or 8.4 per cent., and the average number of employees was larger by 5,858, or 4.1 per cent.

Freight train loading was slightly larger, due to less cars per train, although the average load per car mile increased by one ton. The increases in freight, as shown in the weekly car loading reports, were in grain, coal, pulpwood, merchandise and miscellaneous freight, and decreases were shown for lumber, pulp and paper and other forest products.

McKenzie's Creamery at Middleton, Nova Scotia, has increased the capacity of the plant to 1,500,000 pounds of butter per annum.

Herbert
Tareyton
London Cigarettes
20 for 35¢

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T32
For your Pipe Herbert Tareyton London SMOKING MIXTURE

Financial Assistance
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PAID UP CAPITAL AND RESERVE $1,259,430.36
The Imperial Canadian Trust Co.
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Head Office: Winnipeg
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Government Municipal Corporation Bonds
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Eastern Securities Company Limited
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Halifax, N.S. Charlottetown, P.E.I.
Montreal—Transportation Bldg.

The Accounting Department O.K's Long Distance

THE ideal transaction is one that can be cleaned up at once. Otherwise, it has to go into the "Pending File"—and the time cost of following up such delayed orders frequently robs them of the legitimate profit they should pay.

This difference in the time cost of handling orders sold by Long Distance is one of the reasons why the use of Long Distance is increasing so rapidly. Orders solicited by Long Distance come through "clean," because all the details can be settled with the customer before you hang up the receiver! There are no expensive delays.

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OF CANADA

Capital: $1,000,000
Reserve: 350,000
Complete Trust Service
covering
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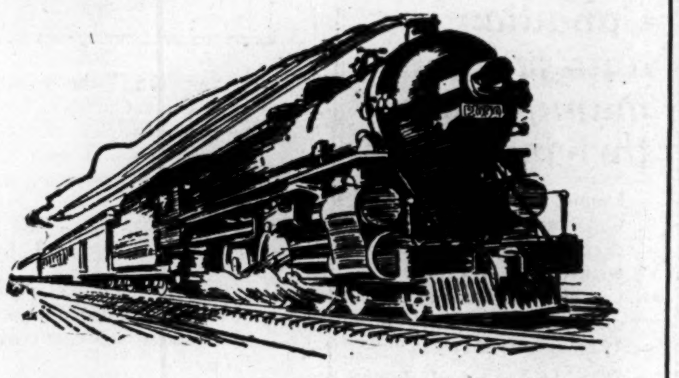

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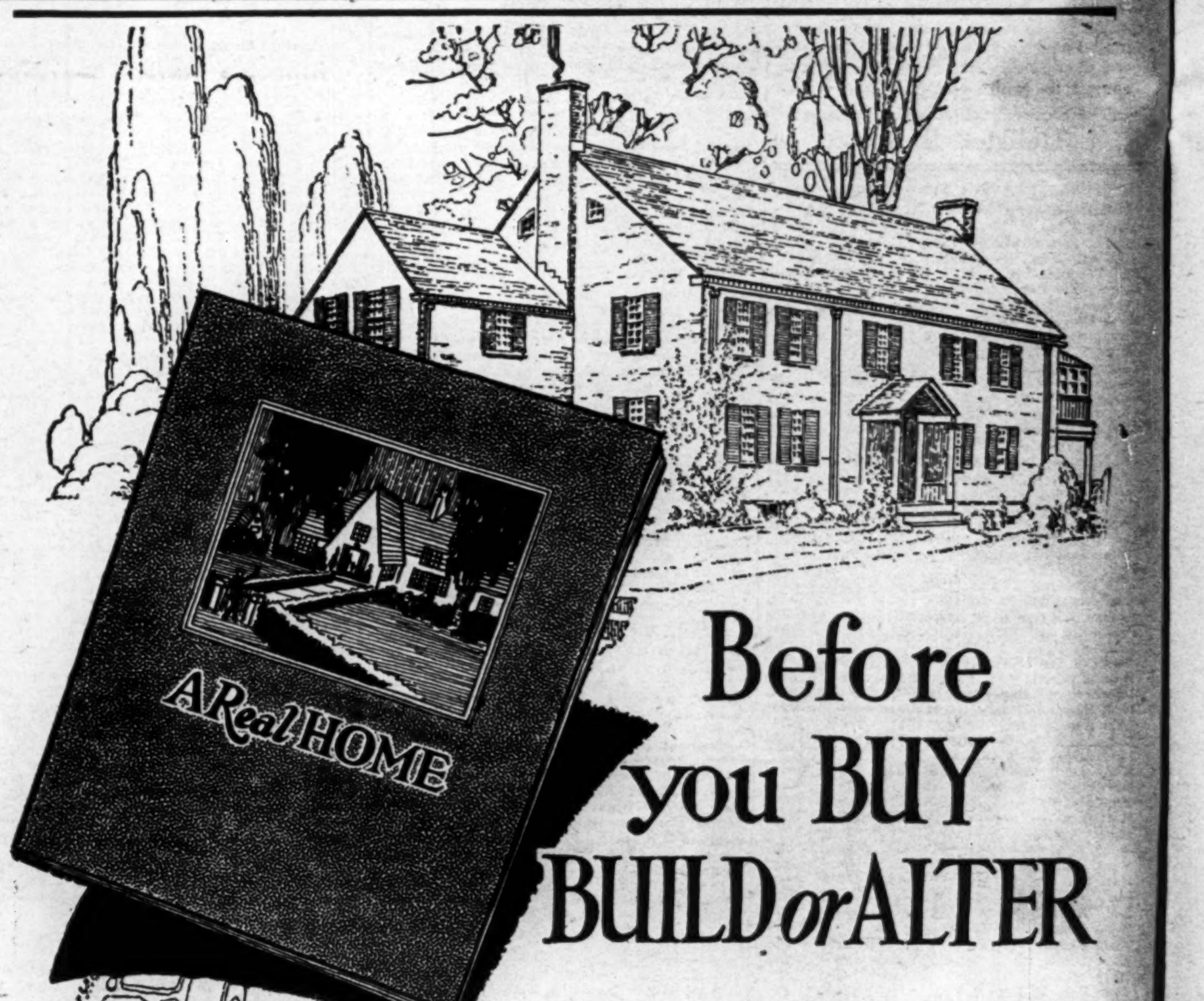

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Current Events in Banking World

BANK MAN REPLIES TO YORATH'S FIRE ON LOANING POLICY

Says Banks Are Big Factor in Building Up Canada

Some time ago, this page published an address delivered by C. J. Yorath, an outstanding western business man, in which the charge was made that Canadian banks were unduly "tight" in loaning money for new enterprises. He claimed the banks were pursuing a "safety first" policy and would not loan money without the highest security in the form of collateral.

In this article a Western bank man replies to Mr. Yorath.

(By a Western Bank Man.)

C. J. Yorath's recent criticism of the Canadian banking system, while probably not altogether unmerited, is, I believe, a little too severe.

Canadians, with few exceptions, are believers in the future of Canada. However, many of us are not satisfied with the progress that is being made. We often feel that something is radically wrong, and in seeking the cause for the lack of greater progress are inclined to blame the government, or the credit system, and in prescribing a remedy nearly always advocate a change in our banking facilities.

Our Relative Prosperity

Probably our proximity to the richest and most prosperous country in the world overshadows our own prosperity, and blinds us to the good things which we have, and the prosperous conditions prevailing in Canada as compared with other countries.

It is true that Canada has not developed as rapidly as we would have liked, but Mr. Yorath's inference that an expansion of credit by our banks would be a leading factor in our development is a little far fetched. While there is no question that credit plays an important part in the development of trade and commerce, there is a limit to which credit can go in building up and developing a country. Easy credit only will not attract population, and the root cause of our lack of greater growth is our paucity of population.

Need to Fill Up Territory

We need a larger domestic market, because outside markets, while large, are not always stable, due to tariff restrictions. In order for Canada to have real prosperity it is necessary that we have a much larger population to fill up our vast expanse of territory.

Our credit facilities, as supplied by our banking system, have not retarded our national growth. It is our geographical position and climatic conditions that have handicapped us. Our climate is too severe, and the advantages which we have to offer are not sufficient to overcome this handicap. We cannot attract people to this country unless we have something better to offer them than there is at home, or elsewhere. Being next door to the United States, with its many varieties of climates has been an important factor in delaying our progress. It has been too easy for our new settlers either to return home or go across the border.

No Tightness of Money

It is admitted that the Canadian banks during the past few years were not as liberal with credit as many would have liked them to be, nevertheless, it is an open question whether or not this lack of liberality in extending credit has retarded our growth. While in individual cases credit may have been restricted and business temporarily hampered the figures for our current loans in Canada, as taken from the government statement, do not show that any wholesale tightness of money has prevailed for some time. There is also the important fact to consider that if our banks did not, during the past few years, freely extend credit, neither did our depositors or shareholders suffer any great losses, as did the creditors of the 850 small banks in the United States, which went into the hands of the receiver during 1926.

It is well known that the Canadian banking structure is patterned from the English system, but what is probably not as well advertised is the fact that we have and use the same rediscounting privilege in Canada as the Federal Reserve Act permits, and which gives that system its elasticity. The Federal Reserve System permits its member banks to rediscount trade paper, the proceeds of which are either placed to the credit of the member bank in order to meet clearing house differences, or taken out in Federal Reserve notes so as to be used as currency in ordinary counter business. In Canada the Finance Act permits the banks to borrow from the government against approved securities, including trade paper. These advances are made in the form of legal tender notes, and the banks lodge these legals in the Central Gold Reserve and issue their own notes against this deposit. The Federal Reserve note circulation is practically the Canadian system adjusted to suit the American system of unit banks, the Federal Reserve banks acting towards the member banks of their districts very much in the same way as the head office of a Canadian bank acts towards its branches. If the Federal Reserve system is elastic our system must also be considered elastic. They have nothing that we have not got.

Loans With Security

In regard to the banks not granting a line of credit unless securities are hypothecated as security for the loan equivalent to the amount advanced, if the owners of the securities do not feel confident enough that hypothecating them is a mere form of good faith, and that the securities will have to be realized on to liquidate the loan why should the banks or anyone else take the risk of making such loans without security. It is to the banks' interest to make loans. That is how they make their money. They are just as anxious to loan as the borrower is to borrow, but they want to make sure that the earning power of the business to which they are lending their money is sufficient to repay their loan within a reasonable time. It is here that opinions differ. It is only natural for the borrower to be more optimistic in regard to his prospects of repayment than is the lender. Unless there is specific security pledged, sufficient to take care of the loan, there is quite likely to be a difference of opinion as to the capabilities of a business and its earning power. Nevertheless the banks do lend money without security. In fact, the character of the persons getting the loan is considered before considering security. Loans are often made without any other security than the borrower's note, and likewise loans are often made on which full security is required.

The Canadian banks cannot furnish permanent capital on a wholesale scale for the development of new enterprises, but they can and are supplying short term credit freely for legitimate business purposes, just as well or better than is supplied in any other country, and the present prosperity of Canada well reflects this condition.

The Dominion Bank announces that the following acting managers at the branches named, have been appointed managers: R. F. J. Ford, Niagara Falls; C. G. Carmichael, St. Catharines; Wm. Coupar, Sprucedale; W. W. Creswick, Thamesville; John L. Hunt, Timmins; H. E. Stark, Welland; A. M. Bishop, Wingham, all in Ontario.

Staff Gossip

E. S. Redding, of Yarmouth, has been transferred from Barrington to the Middleton branch of the Bank of Commerce temporarily.—Light, Yarmouth.

* * *

E. H. Mitchell, for several years accountant at the Vegreville branch of the Canadian Bank of Commerce, has been transferred to Toronto, where he will take over responsible duties in one of the larger offices of the bank.—Observer, Vegreville.

* * *

L. F. Cross, manager of the Canadian Bank of Commerce who has been transferred to West Toronto, was tendered a complimentary banquet by his friends at Amherst recently. Mr. Cross has resided in Amherst for eight years and during that period has made hundreds of friends and acquaintances in business, social and athletic spheres.—News Amherst.

* * *

A. N. Lee, for the past six years accountant of the Kingston branch of the Bank of Montreal, is being transferred to the branch at London, Ont. His place will be taken by W. F. Fortye, who comes from the Bank of Montreal, at Chicago. Mr. Lee will succeed at London Cecil P. Ryan, who has been appointed accountant of the main branch of the bank at Winnipeg.—Free Press, London.

* * *

Walter G. Lynch, manager of the Windsor branch of the Canadian Bank of Commerce, has received word that he is to assume charge of the bank's branches in Edmonton, Alta. Mr. Lynch came to Windsor in September, 1920, from Medicine Hat, where he served eight years. During his stay in Windsor he has become widely known. Mr. Lynch will be succeeded by J. Moreton, of the inspection staff, head office, Toronto.—Star, Windsor.

Weekly Bank Clearings

(In comparison with the same week last year)

	Apr. 1, 1926	Mar. 31, 1927
Brandon	$ 425,950	$ 453.700
Brantford	697,021	950,369
Calgary	8,612,473	6,466,336
Edmonton	4,525,404	4,070,097
Chatham	403,636	674,510
Fort William	648,785	661,859
Halifax	2,500,853	2,418,440
Hamilton	4,202,061	4,727,901
Kingston	500,640	526,375
Kitchener	869,558	990,976
Lethbridge	450,154	437,359
London	2,142,833	2,565,984
Medicine Hat	235,227	226,972
Moncton	754,088	689,106
Montreal	98,660,589	104,832,766
Moose Jaw	853,218	947,636
N. Westminster	664,053	654,170
Ottawa	5,616,043	4,831,420
Peterboro'	663,849	699,283
Prince Albert	369,258	329,143
Quebec	4,378,278	5,950,559
Regina	3,375,666	3,216,900
St. John	2,349,247	2,446,243
Sarnia	281,208	440,807
Saskatoon	1,570,554	1,559,721
Sherbrooke	780,194	723,933
Toronto	83,641,921	102,182,083
Vancouver	16,786,429	14,947,261
Victoria	1,906,190	1,767,809
Windsor	3,166,116	4,605,221
Winnipeg	38,342,263	39,922,192

Monthly Bank Clearings

(In comparison with same month last year).

	March, 1926	March, 1927
Brandon	$ 2,057,060	$ 2,105,775
Brantford	4,477,792	4,823,534
Calgary	38,671,682	35,805,991
Edmonton	20,956,921	20,227,729
Chatham	2,608,680	3,504,757
Fort William	3,021,913	3,664,285
Halifax	12,336,182	12,130,183
Hamilton	19,495,867	23,270,796
Kingston	2,769,597	2,959,076
Kitchener	3,915,275	4,618,451
Lethbridge	2,252,261	2,234,018
London	10,502,150	12,972,348
Medicine Hat	1,154,799	1,237,849
Moncton	3,595,189	3,447,971
Montreal	433,275,704	477,826,779
Moose Jaw	4,244,166	4,950,409
N. Westminster	3,329,907	3,309,070
Ottawa	25,804,309	27,703,324
Peterboro'	3,245,114	3,430,498
Prince Albert	1,634,157	1,724,480
Quebec	21,480,581	26,385,839
Regina	14,905,272	16,428,092
St. John	11,825,461	10,744,933
Sarnia	2,239,620	2,678,510
Saskatoon	7,395,426	7,286,142
Sherbrooke	3,479,643	4,016,895
Toronto	394,723,557	483,752,825
Vancouver	76,845,592	73,888,449
Victoria	8,431,885	9,272,723
Windsor	15,343,858	20,050,321
Winnipeg	191,925,771	199,925,098
Total	$1,347,945,391	$1,506,377,156

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CORPORATION BONDS

	Rate	Maturity	Price	To Yield about
Avon River Power Co.	5½%	July 1, 1956	99.50	5.55%
Canada Steamships	6%	Oct. 1, 1941	99.50	6.05%
Canadian Paperboard	7%	Apr. 1, 1937	101.00	6.90%
Drummond St. Realty (50% Bonus of Common)	6½%	Feb. 1, 1942	100.00	6.50%
Gatineau Power Co. Debentures	6%	June 15, 1941	101.00	5.89%
Lake St. John Power & Paper	6½%	Feb. 1, 1947	99.50	6.55%
Quinte & Trent Valley Power Co.	6%	Jan. 1, 1955	101.00	5.90%
Quebec Apartments Ltd.	6½%	July 1, 1940	99.00	6.60%
St. Catherine Improvement (40% Bonus of Common)	6½%	Jan. 1, 1947	100.00	6.50%
State of New South Wales, Aust'lia	5%	Feb. 1, 1957	96.25	5.25%

PREFERRED STOCKS

Maritime Telegraph & Telephone	7%	Cumulative	116.00	6.03%
Quinte & Trent Valley Power Co.	7%	"	99.50	7.04%
Cosmos Imperial Mills	7%	"	Market	7.15%

Full particulars on request

JOHNSTON AND WARD

14 King St. East, Toronto
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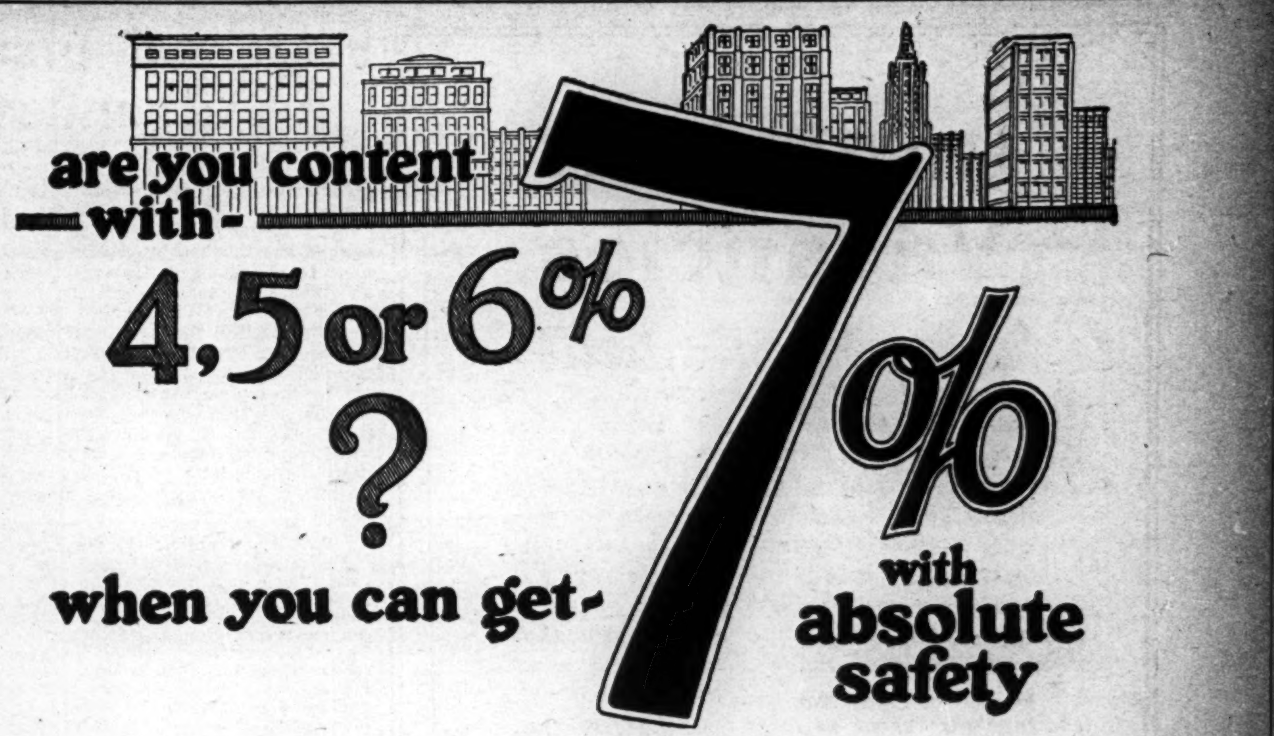
MEMBERS: Montreal Stock Exchange ● Toronto Stock Exchange
Montreal Curb Market Winnipeg Grain Exchange Chicago Board of Trade



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As a bond buyer you must know first of all that United First Mortgage Bonds are safe. That, of course, is the big factor in any investment. You realize that the seven per cent. interest we guarantee is an unusually good wage for the services of your money, but you must know just how safe is any investment you may make in United First Mortgage Bonds.

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Five Points in Which United Bonds are Outstanding

In connection with every issue of United Bonds we sponsor and sell—

Location

(a) We make a personal survey of the locality. That section of the city in which the security-property is situated must be a growing one, showing a bona fide need of such a building.

Building

(b) We examine, with searching attention to detail, the plans and specifications. The building must conform to our standards, be well designed, of sound construction and materials.

Appraisal

(c) The bond issue is always based upon our own conservative appraisal of values.

Revenue

(d) A clause in the trust mortgage makes it a first claim upon all revenue from the building, for the purpose of paying interest and principal of bonds as due.

Supervision

(e) We supervise every bond issue we offer to investors, from the day the proposition is laid before us until the day, when the last maturing bond falls due and is paid.

These points of unusual merit, and this sustained supervision which preserves them are what make United Bonds unique as a completely safeguarded investment.

United Bonds are in Denominations of $50, $100, $250, $500 and $1000

Maturities of 2, 3, 4, 5, 6 or 7 years

They pay 7% per annum, payable semi-annually. The normal Dominion Income Tax up to 2% on the income is refunded to the bondholders through us.

Let us send you details of issues we are offering now

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WM. BROWN, Vice-Pres. and Managing Director.

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UNITED FIRST MORTGAGE 7% BONDS

Important Vacancies

A large industrial company, with Head Office at Toronto, will shortly increase its managerial staff, and interviews will be granted to one or two men between the ages of 25 and 35 years who are now successfully occupying executive positions of importance, but who might wish to consider a more progressive field of endeavor offering distinct advantages to men of good education and business ability. This is a splendid opportunity to become associated with one of Canada's largest and most prosperous firms. Accounting, legal, manufacturing or sales training essential. Your letter will be regarded as strictly confidential.

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% J. J. Gibbons Limited
119 West Wellington Street,
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Fraternal Insurance Advances Again in '26

Although official statistics will not be available until next week covering the operations of fraternal societies in Canada during 1926, the figures which have been published by private orders, seem to indicate that fraternal insurance shared to some extent the prosperity that was experienced by the rest of the life insurance companies during 1926. At the end of 1925 the membership in fraternal societies showed a marked decrease, but although no figures have as yet been made public it seems that the downward trend of membership which has been characteristic of this branch of insurance has been in some measure halted.

Now Receive Hospital Benefits

The most recent development in this field of insurance has been the adoption by one of the largest companies of a plan whereby the members of the society can receive surgical and hospital benefits when necessary, without any extra cost of premium. This scheme is called the surgical benefit scheme, and was originated on the Pacific coast by the Independent Order of Province Foresters. The idea should prove of considerable value to the members of the association, and it now extends to members throughout most parts of western and central Canada. This action on the part of one of the largest fraternal associations in the country will serve to bring the benefits of fraternal insurance more into line with the various benefits offered by the ordinary insurance companies.

Foresters Increase Assets

In presenting their annual report for the year, the Independent Order of Foresters, with head office in Toronto, show total assets amounting to $39,839,394, and a surplus amounting to $950,280. This compares with assets of $38,458,369 in 1925. During the year the company increased its invested assets by $3,562,972. Total income amounted to $9,308,551, of which $3,332,388 was received from premiums. The company has insurance in force amounting to $149,714,086, an increase for the year of about $587,000. The company paid out to members and their beneficiaries $3,585,140. Out of the total business done by the order, nearly two-thirds was done outside Canada.

The Knights of Maccabees, with head office in Detroit, have also presented a successful report for the year just passed. This organization does an enormous business in fraternal insurance, but most of it is carried on outside of Canada. The company's assets at the end of the year amounted to $33,995,197, an increase of $7,033,828 over 1925. The company has in force $226,524,566 of insurance, of which about $7,000,000 is carried in Canada. During the year the company added 21,695 members to its society, making a total of 215,857. The amount of protection written during the year amounted to $28,249,950. The company has paid out $164,000,000 in benefits to members since its organization.

Complete figures of all companies will be published in next week's issue.

Action on Woollen Goods Tarriff Held up by British

Consideration of the revision of th Canadian tariff on woollen goods ha been delayed through the intervention of the Federation of British Industries which have been granted the right to present arguments in favor of th manufacturers of England who woul be affected by any change in the cus toms. The hearing was fixed for March 8th last, which would not allow of suffi cient time for the manufacturers o woollen and kindred goods in the United Kingdom to put forward a general reply

We offer

$3,394,400

Massey-Harris Company, Limited

7% Cumulative Redeemable Preference Shares

(Par Value $100)

Authorized $12,500,000. Issued $12,089,900. Preferred as to capital and dividends. Cumulative dividends at the rate of 7% per annum payable quarterly on 15th February, 15th May, 15th August and 15th November. Redeemable as a whole or in part at the option of the Company on thirty days' notice at 110% of par value, plus accrued and unpaid dividends to date of redemption.

These Shares constitute part of the original issue; this offering, therefore, does not represent new financing.

From information officially furnished to us by the Company we have summarized, in part, as follows:

The Company

Massey-Harris Company, Limited, is the largest manufacturer of farm implements in the British Empire. The business has been in operation for eighty years and has played an important part in the agricultural development of Canada. It has also gained a world-wide reputation, its products being sold in practically every important grain-producing country in the world. In 1926, 40% of the Company's output was disposed of in Canada and 60% in other countries. Gross sales in that year exceeded $25,000,000. These were larger than in any previous year in the Company's history, excepting 1920, and were more than 22% in excess of sales in 1925.

Earnings

Income Account of the Company for the year ended November 30, 1926, as published in the Company's Annual Report for that year, is as follows:

Income from Operations		$3,005,220.06
From this there has been deducted:		
Interest on borrowings	$193,151.41	
Appropriations for depreciation of plants, etc.	500,244.99	
Appropriation for Pension Fund	16,055.43	
Appropriation for Income Tax	200,000.00	
Appropriation for Contingency, Foreign Exchange, etc.	100,000.00	
		1,009,451.83
Leaving a Net Profit for the year of		$1,995,768.23

(Available for Preference Share Dividends of $846,293 per annum)

Assets

Net current assets, as at November 30, 1926, after deducting all current liabilities, and including inventories at cost or replacement value, whichever was less, were:

$20,390,868—equal to over $168 for each $100 of par value of Preference Shares now outstanding.

Fixed assets, as at November 30, 1926, including factories, real estate and equipment, had a book value of $8,516,223, against which the Company carried a depreciation reserve of $3,382,951. The book value of $8,516,223 represents actual cost of properties. The aggregate of fire insurance maintained upon the Company's factories and branch properties, exclusive of inventories, is over $25,000,000.

Consolidated fixed and net current assets, as at November 30, 1926, totalled:

$25,524,140—equal to over $210 for each $100 of par value of Preference Shares now outstanding.

These assets do not include investments of $3,101,617 in subsidiaries.

Preference Shares

The authorized amount of Preference Stock is $12,500,000, divided into shares of a par value of $100 each, of which $12,089,900 has been issued. Preference Shares are preferred as to capital and are entitled to preferred cumulative dividends at the rate of 7% per annum, payable at such times as the Board of Directors shall determine. Holders of Preference Shares are entitled at all general meetings of the Company to one vote for every Preference Share held by them respectively. Holders of Common Shares of the Company, without nominal or par value, shall only be entitled at general meetings of the Company to one vote for every four Common Shares held by them respectively.

Price: At the market, yielding about 6.40%

These Shares are listed on the Toronto Stock Exchange and it is intended to list them on the Montreal Stock Exchange.

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The information contained in this advertisement is based upon statements and statistics which we believe to be reliable. We do not guarantee, but believe the statements herein made to be true.

Toronto Exchange Seat Sells at Record Price

A seat on the Toronto stock exchange changed hands this week at $37,500. This is a record price and is believed to be at least $2,000 higher than the highest price ever paid for a seat on the Montreal exchange, which long has been the second largest exchange on the continent. Since this purchase a bid of $40,000 has been made for a seat on the Toronto exchange.

Northwestern Mutual Fire Has Good Year

Another highly satisfactory year is reported by the Northwestern Mutual Fire Association, of Seattle, Wash., whose head office for Canada is located in Hamilton, Ont. This company has been in business for 25 years, and last year wrote net premiums amounting to $4,494,843, which is an increase of $686,716 over the premiums of the previous year. The company had an exceedingly good loss ratio, the ratio of net losses paid to net premiums written being 37.0 per cent. The company has total assets amounting to $3,751,734, and a policyholders' surplus for the payment of future losses of $3,310,759.

FOREIGN EXCHANGES

Discuss Value of French Franc

Conducted by S. J. ZACKS.

Movements in the markets this week were mixed. Spanish pesetas, after selling up to 18.11 cents, sold down 12.66 on Wednesday. Italian lire reached a new high point at 4.83¾ cents. This is the highest point since 1923. News of a $12,000,000 loan to the Meridionale Electric Co. stimulated buying. It is also reported that the city of Milan will borrow $30,000,000 shortly in America, and that the house of Morgan will originate the issue. Last week the Bulgarian situation overshadowed lire. It is now reported that the Hungarian premier is in Rome negotiating for the use of the Port of Fiume, and that he will sign an Italo-Hungarian treaty of arbitration.

Japanese yen sagged steadily during the week. On Wednesday it sold to 48.80 cents on news that Japan would shell Hankow. Silver currencies have steadily advanced in the fore of the crisis. Silver is much in demand as a currency, since the army is paid in silver, and the amount of circulating coin has increased. Hoarding, too, is evident. Prices are reported to be moving up sharply, and inflation is setting in.

Considerable discussion has arisen recently over French industry and the franc. The value of the franc appreciated without great apparent effect on either internal price level or industry. Undoubtedly export industries, such as textiles and light engineering, were greatly affected by the sudden appreciation of the franc. Nevertheless, nothing drastic has occurred. Orthodox theories are immediately questioned and overthrown by some. On closer analysis it would appear that the franc, as measured by purchasing power in France, never depreciated to the extent of the external value of the currency. This is proved by the fact that the wholesale index has only dropped from 845 to 645 from end of July, 1926, to end of February, 1927. It would appear that the franc was grossly undervalued at the time.

On the other hand, the question is being asked: Is the franc overvalued today? In answer, the Statist says: "On the basis of the relative changes in the price levels of France and of Great Britain since 1914, and assuming that the equation of exchange between the two countries has remained unaltered, the present rate of exchange between the two currencies would appear to correspond roughly to their purchasing power parity. If any deviation from this parity exists, it would seem to be in the direction of an undervaluation of the French franc in terms of sterling. There can be no question of an overvaluation of the franc unless further appreciation is forced by the government and the Bank of France. This, in the present circumstances, would appear to be a highly improbable contingency."

The Statist further says that, if the French government stabilizes at present levels, the dangers of an overvalued currency will be avoided.

NEW YORK FUNDS

			Last Year	
	High	Low	High	Low
March 31	*1-64	*5-64	13-64	11-64
April 1	*1-32	*3-64	3-16	3-16
April 2	*3-64	*3-64	...	...
April 4	*3-64	*1-8	11-64	1-8
April 5	*7-64	*1-8	...	...
April 6	*7-64	*1-8	1-8	1-16

*—Discount.

STERLING, FRANCS AND LIRE

	Sterling close	Francs close	Lire close
March 31	4.85 5/16	3.91½	4.66¼
April 1	4.85 5/16	3.91½	4.71¼
April 2	4.85 7/16	3.91½	4.72
April 4	4.85 7/16	3.91½	4.79
April 5	4.85 3/8	3.91½	4.80¼
April 6	4.85 3/8	3.91½	4.78½

FOREIGN EXCHANGE

Par		Mar. 30	April 6
19.30	Italian	4.59	4.78
32.45	Brazilian	11.87	11.75
23.82	German	23.70	23.68
19.30	Belgian	2.78	2.78
84.85	Japan	49.10	48.75

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INQUIRIES SOLICITED

Other People's Views

The Tasks of To-day

Willison's Monthly.—In this Jubilee Year the political leaders of Canada should set themselves to achieve three great objects. (1) Eastern grievances should be redressed and the provinces by the sea made contented partners in Confederation. (2) The natural resources now held by the Dominion should be restored to Manitoba, Saskatchewan, and Alberta. (3) Newfoundland should be again invited to enter Confederation and upon terms so generous that the Island Colony could not afford to remain outside. If we approach these problems in the right spirit they will be settled without racial, religious, or sectional conflict and we will begin the new era in certain confidence that all the Fathers foresaw sixty years ago will be realized beyond their utmost hope or expectation.

CHRISTIE, BROWN AND CO. Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) on the issued Preference Shares in the Capital Stock of this Company for the period from the first day of February to the thirtieth day of April, 1927, has been declared payable to shareholders of record at the close of business on the twentieth day of April, 1927, and that such dividend be payable on the first day of May, 1927. By order of the Board,

J. C. MILLAR,
Secretary.

CHRISTIE, BROWN AND CO. Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of thirty cents (30c.) per share on the issued Common Shares in the capital stock of this Company for the period from the first day of February to the thirtieth day of April, 1927, has been declared payable to the shareholders of record at the close of business on the fifteenth day of April, 1927, and that such dividend be payable on the first day of May, 1927.

By order of the Board,

J. C. MILLAR,
Secretary.

CHRISTIE, BROWN AND CO. Limited

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Christie, Brown and Company, Limited, will be held at the head office of the Company, 202 King Street East, in the City of Toronto, Canada, on the 20th day of April, 1927, at the hour of 12.30 o'clock in the afternoon to receive and consider the financial statements of the Company and the reports of the Directors and Auditors and to appoint Auditors and elect Directors and to transact such other business as may properly come before the meeting.

Dated at Toronto, Ontario, this twenty-eighth day of March, 1927.

By order of the Board,

J. C. MILLAR,
Secretary.

MONTREAL TRAMWAYS COMPANY

Dividend Notice

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share, for the quarter ending 31st March, 1927, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record the 7th day of April, 1927, at 4 o'clock p.m. and payable on the 16th day of April, 1927.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

Tuesday, March 29th, 1927.

THE INTERNATIONAL NICKEL CO.

A quarterly dividend of one and one half per cent. on the referred stock has been declared this day payable May 2, 1927 to the Preferred stockholders of record at the close of business April 14, 1927.

New York, April 4, 1927.

JAMES L. ASHLEY,
Secr'y. and Treas.

Dominion Textile Company Limited

NOTICE OF DIVIDEND

A Dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending March 31st, 1927, payable 15th April, to shareholders of record 31st March.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, January 24th, 1927.

International Paper Company

New York, N.Y., February 23, 1927.

The Board of Directors have declared a regular quarterly dividend of one and three-quarters per cent. (1¾%) on the Cumulative 7% Preferred Stock of this Company, and a regular quarterly dividend of one and one-half per cent. (1½%) on the Cumulative 6% Preferred Stock of this Company, for the current quarter, payable April 15th, 1927, to holders of record at the close of business April 1st, 1927. Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD, Treasurer.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of April, 1927, to shareholders of record at the close of business the 9th day of April, 1927.

By Order of the Board,

W. H. SMITH,
Secretary-Treasurer.

Featuring Insurance

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

PUBLICATION OFFICE: TORONTO, APRIL 8, 1927

Canadian Companies Write $2,319,000,000 Life Policies Abroad

Past Year Saw Advance in This Field Continue

$1,000,000 POLICY

Canada's Largest Life Policy Was Written During the Past Year

Another year has rolled by and the statistical story of life insurance in Canada as told by the figures for Dominion life insurance companies presents another picture of amazing growth and progress in every department of the business. The actual growth of new insurance written in Canada during the year was about 12½ per cent. above that written in 1925, a figure even greater than the 11 per cent. increase which was predicted a few months ago. The net amount was $797,940,009 as compared with $712,091,889 in 1925. This brings the total amount of insurance in force in Canada up to $4,609,902,248 an increase of over $415,000,000 over the 1925 figure of $4,159,019,848.

These figures are, however, a poor interpretation of the influence and growth of life insurance in Canada during the past year. Since the Great War we have become hardened to the use of nine rows of ciphers, and the accumulation of millions and billions of dollars has ceased to be a matter of more than passing moment. However, these figures, if one reads between the lines, still possess a story that compares favourably with the most imaginative fable of the Arabian Nights.

Growth in Foreign Field

Perhaps one of the most interesting developments of life insurance has been the growth of Canadian companies outside the Dominion of Canada. As evidenced by the 1926 figures the amount of business that Canadian companies are writing in other parts of the world amount to practically one-half of the domestic business. This is indeed a splendid tribute to the Canadian institutions which have been built up in the last fifty or sixty years. Even in 1923 when Canadian companies were well-established, the proportion of foreign to domestic business was comparatively small, but within the last three years Canada has proven that her foundations were well and truly laid, and she has been reaping with great profit an enormous and valuable business, not only in the United States, but in other parts of the English-speaking and the Oriental world. Last year out of $515,000,000 of new business written, $277,000,000 of business was written outside of Canada. This brings the total amount of Canadian business written outside Canada up to $1,319,000,000. One of the outstanding features of this business is the low lapse ratio as evidenced by the fact that practically the whole amount of new business written during the year goes to swell the total amount of insurance in force at the end of the year.

Group Business is Growing

Another phase of life insurance which has grown to tremendous proportions of late is group insurance. This year The Financial Post has separated the figures of group insurance, thus emphasizing to some extent the importance that is due to this valuable member of the life group. The fact that group insurance in force in Canada now amounts to $204,000,000, as against $141,000,000 a year ago and was practically unheard of ten years ago, gives some indication of the growing importance of the business. Its value may be appreciated by the fact that probably 75 per cent. of the workers who die each year, will leave no other form of insurance.

Perhaps the factor that is most closely linked up with the life insurance results of the past year, is the factor of prosperity. Prosperity during 1926 returned in some fair measure to Canada, and its return was immediately reflected in the increased sale of life insurance. Once again the training and knowledge gained during the years of depression and during the war, stood Canadian and other insurance companies operating in Canada in good stead, with the result that the returning ways of prosperity enabled the companies to make a ready harvest. Particularly is this true of the Canadian west, where not only life insurance but life itself depends upon good agricultural and world conditions. During 1926, insurance in Western Canada once more found its feet and present indications are that 1927 will show even better results as conditions improve. During the year a new company was formed in British Columbia, the first life insurance company to be organized on the Coast, and, although it did not receive its charter until a month or so ago, it is encouraging to see this further evidence of healthy growth and prosperity.

Million Dollar Policy

Two other fields have been developed during the year which are indicative of the modern tendencies of life insurance. The first is in the field of business insurance where a new record was established by the writing of a policy for $1,000,000 on the life of a prominent Canadian business man. The place of insurance in the life of the modern corporation is one which offers infinite scope for the enterprise of the underwriter.

The other field is in the matter of co-operation between life insurance companies and trust companies, and evidences are at hand that the ground is being very thoroughly studied with a view to furthering this co-operation. In the United States this form of co-operation, which is being practised to an increasing extent each year, is found to be exceedingly profitable, both from the point of view of the life insurance company and from the point of view of the trust company, and much propaganda and educational work is being done to spread a proper knowledge of the functions of each of these institutions among their various members. In view of the fact that 90 per cent. of all insurance left in a lump sum is squandered before seven years have elapsed, the real need for conservation, as well as for creation on the part of life insurance companies is apparent.

Five Years Progress in Life Insurance

Premium Income	
1922	$106,886,700
1923	117,813,071
1924	129,495,331
1925	145,480,207
1926	159,890,614
Insurance Paid For	
1922	$502,279,333
1923	548,640,800
1924	615,372,723
1925	712,091,889
1926	797,940,009
Insurance in Force	
1922	$3,171,388,996
1923	3,433,508,673
1924	3,763,997,565
1925	4,159,019,848
1926	4,609,902,248
Death Claims	
1922	$18,950,581
1923	21,040,421
1924	20,683,932
1925	22,911,276
1926	26,781,585
Total Claims	
1922	$26,850,900
1923	28,996,241
1924	30,137,763
1925	32,105,869
1926	34.642.525

Steam Boiler

(Abstract of 1926 Experience of Dominion Companies.)

Company	Net premiums written	Net losses incurred
Boiler Inspection	$217,804	$ 2,995
Dom. of Can. G. & A.	6,253	None
Empl. Liability	41,678	130
Gen. Acc. of Canada	52,401	1,691
Guard. Ins. Co. of Can.	38,970	6,696
Maryland Casualty	25,887	948
New York Casualty	612	None
Ocean Accident	13,264	None
Royal Insurance	53,994	2,583
Travelers Indemnity	54,957	5,459
Totals	$505,820	$24,950

Loss Ratio—4.9 per cent.

Canadian Insurance Advances in 1926

Statistical Record of Dominion Licensed Companies.

(Dominion Licensed Companies)

	No. of companies		Net. prem. written		Net losses or claims incurred		Loss ratio‡	
	1926	1925	1926	1925	1926	1925	1926	1925
Fire†	190	183	54,894,332	$53,272,767	$27,012,864	$28,226,670	49.2	53.0
Casualty—Total	..	169	28,265,378	26,333,848	14,400,347	12,576,981	51.4	48.3
Acc. (1) personal	50	50	2,958,758	2,790,655	1,303,603	1,136,577	44.1	40.7
(2) Other	45	43	883,605	757,885	304,238	244,217	34.4	32.2
Comb. acc. & sickness	13	11	1,579,965	1,457,371	884,784	712,806	56.0	49.1
Automobile	124	115	8,061,992	6,952,201	4,372,793	3,468,160	54.1	49.9
Aviation	2	0	......	......	......	......	...	...
Burglary	46	43	999,230	898,076	274,726	365,717	27.5	40.9
Credit	2	2	315,113	315,101	121,942	238,333	38.7	75.6
Earthquake	10	13	—5,279	13,867	......	......	...	...
Electrical machinery	5	5	93,034	89,412	19,629	18,928	21.1	21.2
Forgery	10	10	34,491	27,285	14,179	6,134	41.7	22.7
Fraud	1	1	—13,556	15,415	4,170	5,416	32.0	36.0
Guar. (1) fidelity	41	42	1,104,877	925,995	285,778	387,453	25.8	41.8
(2) surety	41	40	1,065,573	1,029,447	93,873	370,569	34.8	36.2
Hail	43	38	—4,500,318	5,397,594	3,158,064	2,267,399	70.1	42.0
Inland Trans.	48	41	577,360	450,711	122,910	159,679	21.1	35.4
Live stock	3	3	88,357	68,016	79,040	49,897	89.8	73.3
Plate glass	57	54	—549,234	569,583	205,926	213,457	37.5	37.5
Rain	2	2	35,044	31,595	18,462	17,129	52.7	55.2
Sickness	49	46	1,654,450	1,635,389	900,690	961,205	54.5	58.7
Steam boiler	12	11	505,820	412,972	24,950	22,674	4.9	5.5
Title	1	1	......	......	......	......	...	...
Tornado	64	53	199,678	180,204	47,018	30,196	23.6	16.7
Wk. C. & Em. Liab.	49	44	3,039,914	2,320,074	2,164,072	1,911,036	71.1	82.3

†Including explosion, sprinkler.

‡Ratio of losses incurred to premiums written.

Casualty Field Sees Big Business Increase

To run through the list of the various classes of casualty insurance which are written in Canada is to give one an idea of the versatility of the insurance policy. Taking the whole field, the amount of casualty insurance shows a fairly substantial increase over the amount written in 1925. This is due almost entirely, however, to the increased amount of automobile insurance written. Slight increases are shown in most of the casualty lines but there was a sharp recession in earthquake insurance, there having been no losses paid in this risk for many years. Slight declines are also noticed in the amount of premiums written for fraud and plate glass, and a very marked decrease in the amount of hail insurance written.

The total amount of casualty insurance in premiums in all lines amounted to $28,265,378 as against $26,333,848 written in 1925. Against these premiums, net losses or claims incurred amounted in 1926 to $14,400,347 as against $12,576,981.00 the year previous. Taking the ratio of losses incurred to premiums written for all classes of casualty risks, 1926 ratio is 51.4, a three point increase over the 48.3 ratio of 1925. This is, perhaps, due to an exceptionally heavy loss in the field of hail insurance, which shows a loss ratio for the year of 70.1, as against 42.0 in 1925. Live stock insurance continues its exceedingly bad record with 89.8 as against 73.3 a year ago. Steam boiler insurance has the best record of all with 4.9 as against 5.5 in 1925.

AVIATION INSURANCE LAGS IN CANADA

Although in Great Britain it is Becoming Increasingly Important

Evidently aviation insurance is not proving very popular in Canada. Although two companies are now licensed to transact this type of risk in Canada there have been no policies written since 1923. In that year the premiums amounted to $477 and there were no losses. In America this type of insurance is proving quite popular, and is increasing each year, but evidently Canada has not yet reached the stage where insurance of this type of risk is considered necessary.

In Great Britain a new and promising field for insurance operation is opening up in the realm of aerial transport. The carriage of goods by air has several important advantages apart from the mere speed of the air craft. All the "en transit" customs formalities involved at every point of transhipment in surface transport are eliminated. Customs clearance at the place of destination is effected immediately and a rapid system of collection and delivery is available at the beginning and end of the journey. Furthermore, because handling is so reduced to a minimum and the goods are under no risk of pilferage during most of the period of transit, insurance rates for air-bound goods are actually lower than for goods conveyed by surface transport. In illustration of this the following comparative table of rates is given.

	Premium, per cent. Surface Transport		Air Transport	
London to	s.	d.	s.	d.
Paris	6	8	2	0
Amsterdam	6	8	3	0
Cologne	7	6	4	0
Zurich	7	6	5	0

In the last seven years British airlines have carried over 75,000 passengers in the course of flying approximately five million miles, a distance equal to 200 times round the world at the equator, and in all this flying only four accidents have occurred causing the death of passengers, thirteen passengers having been killed and five injured. In the period from 1919 to 1920 the number of miles flown per fatal accidents was 168,000, but during the period from 1919 to 1926 it was over one million.

High Ratio of Lapses Worries Life Companies

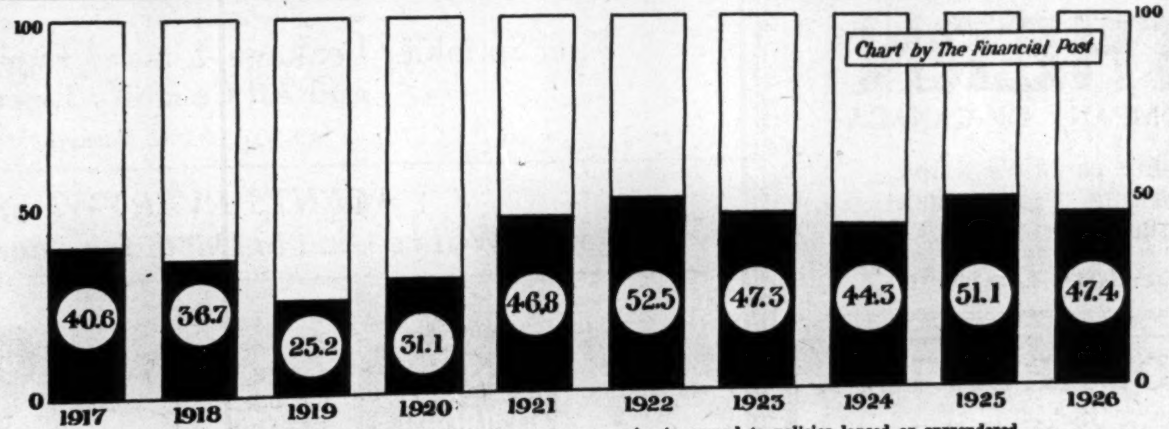

Chart shows experience of Canadian life insurance companies in regard to policies lapsed or surrendered. Figures show percentages of insurance lapsed or surrendered to new policies written in years indicated. The figures include lapsations due to term insurance policies.

One department of life insurance about which very little is heard is policy lapsation. Generally speaking, this phase of insurance is carefully hidden from the cold, discerning eye of the public, and accurate statistics on the subject are somewhat difficult to obtain. Lapsation is the "family skeleton" of life insurance, which is paraded before the fledgling underwriter, upon whom is placed the burden of responsibility for the falling from grace of the insured. The causes of lapsation are chiefly two.

In the first place, lapsation follows very closely the trend of prosperity in the country. Periods of depression invariably result in a heavy lapsation of insurance policies. On the other hand as soon as conditions improve, new insurance is sold and as long as wages are regular the policy will in all probability be continued. This factor is very largely independent of the insurance companies, and will only be ultimately overcome when cyclic movements have been ironed out of the business program.

The other reason for policy lapsation, is the fact that agents are not sufficiently trained in their own profession to render the proper kind of service to their clients. A meeting of the Life Insurance Sales Research Bureau was held recently in Chicago to discuss ways and means of lessening the evil of lapsation. The general conclusion reached was to the effect that ultimate responsibility rested with the agent or underwriter, and that most policies lapsed through failure of the agent either to properly sell the insured, or failure to properly conclude or follow up the sale.

In order to give its readers some idea of the annual rate of lapsation, The Financial Post has prepared a chart showing the approximate ratio of lapsed and surrendered policies, to the amount of insurance written in the current year. This chart demonstrates clearly the very heavy mortality of policies which is suffered annually by Canadian insurance companies and which must inevitably add to the cost of life insurance. Even allowing for the number of term policies which are sold each year and which should be subtracted from the lapse ratio as shown in the chart, and also for policies surrendered, it is obvious that the ratio is high enough to cause considerable worry among those who are charged with the responsibility of selling life insurance to the Canadian people.

Fire Insurance Losses Getting Down Nearer to Normal Proportion

Five Years Progress in Fire Insurance

Net Premiums	
1922	$48,168,310
1923	51,169,250
1924	49,837,840
1925	51,040,075
1926	52,573,001
Gross Premiums	
1922	$68,435,026
1923	72,933,734
1924	71,205,982
1925	75,017,922
1926	79,799,897
Gross Policies Written	
1922	$6,471,133,294
1923	7,311,735,110
1924	6,980,226,248
1925	7,646,026,535
1926	8,654,899,240
Net Amount at Risk	
1922	$6,348,637,436
1923	6,806,937,041
1924	7,220,431,096
1925	7,583,297,679
1926	8,045,437,096
Net Losses Incurred	
1922	$32,848,020
1923	32,142,494
1924	29,247,450
1925	26,943,089
1926	25,717,243

Why Does Business Not Show Larger Increases?

LOW STOCKS REASON

Canadian Companies Show a Little Better Proportion of Total Business

Somebody has said that Canada's national sin is carelessness about fire. However, in the year that has just passed it is exceedingly gratifying to note that the loss ratio on 1926 business has once more assumed a normal proportion. The ratio of losses incurred to net premiums written stands at the end of 1926 at 49.2 as against 53.0 in 1925. Looking back over the past few years the peak of fire losses in Canada was reached in 1922 when the loss ratio rose to 68.2 per cent. Since then there has been a steady decline and the 1926 figure is the best one that Canada has produced since 1920 when the figure stood at 43.4. The total of net premiums written is increasing, and the 1926 figure shows $54,894,852 as against $53,272,776 in 1925. This figure is just exactly twice the amount paid in premiums in 1914.

Is it Keeping Pace?

In spite of the healthy conditions that surrounded the fire insurance business in Canada last year the annual statistics show definitely that the writing of fire insurance has not kept pace with progress in other lines of activity. Why is this the case?

By way of comparison, take, for instance, the growth of construction or the number of building contracts let during the past year. Last year $370,000,000 worth of contracts were let for construction throughout Canada and since 1921 the annual average of contracts amounted to about $300,000,000 per year. Allowing for the buildings that were replaced, it is evident that at least $275,000,000 worth of new buildings were available as new fire insurance risks. Linking these figures up with the amount of insurance written during the year the growth of fire insurance was only about one half of the property growth of the country. What, then, is the reason for this?

According to insurance men, the reason lies more, perhaps with one factor than with any other. That factor is the growth of the chain, departmental and mail order systems of merchandising. Due to the influence of these systems the modern wholesaler or retail merchant keeps practically no surplus stock on his shelves from year to year; hand-to-mouth buying is the order of the day, and whereas five or ten years ago a merchant kept $10,000 worth of goods on his shelf, to-day that same merchant will, at any one time, perhaps, have never more than about $2,000 worth of goods on hand. The result, of course, is that the fire insurance risk is greatly reduced and premiums are perhaps but a fraction of what was formerly paid. This new state of affairs requires a certain re-adjustment. As far as fire insurance goes this re-adjustment takes the form of a much smaller amount at risk, a greatly improved hazard with a corresponding improvement in the relative rate of premiums charged.

Selecting Foreign Risks

Another factor that is considered to have a definite bearing on the situation is the matter of foreign risks. Today, selection is being very carefully carried on by fire insurance companies, and foreign risks which formerly were taken on without very much consideration are now very carefully selected and many small establishments belonging to foreign people are unable to get more than a very limited amount of fire insurance on their property.

In view of the recent legislation introduced at Ottawa for the relief of purely Canadian fire insurance companies with regard to their investments, it is interesting to note that the companies which are nominally Canadian increased the amount of business which they did during the current year. Statistics are not available as to the exact amount of business done by purely Canadian companies, but it is believed that the year 1926 showed some improvement in this respect, and with the new legislation which enables fire companies to purchase a certain amount of the stock of other fire companies, it is to be hoped that a definite check has

(Continued on page 20)

HOLD WORLD MEET OF LIFE ACTUARY BODY NEXT JUNE

Canadian is Head of American Institute of Actuaries

After a lapse of fifteen years the Eighth International Congress of Actuaries is to meet again in June of this year at London, England. Fifteen years have passed since the last Actuarial Congress was held in Amsterdam, and in view of the momentous experiences that the world has gone through since 1912, the deliberations of the congress in reviewing the progress of these years will undoubtedly be of great value to life insurance men throughout the world. The dates of the congress are June 27th to June 30th, and already most of the Canadian companies have signified their intention of being represented at the congress. The chief feature of the congress consists of papers which are read in all languages and which have been previously approved by the committee in charge.

J. G. PARKER

Actuary, Imperial Life Assurance Co., who as president of the American Institute of Actuaries, will attend the eighth International Congress of Actuaries, to be held in London, England, June 27th to June 30th of this year.

The subjects that are to be discussed indicate that the problems of Canadian life insurance companies are very similar to those of companies in other parts of the world. The inclusion of industrial and group insurance as subjects of discussion being particularly noteworthy. Canadian life insurance men have a particular interest in the congress on account of the fact that J. G. Parker, actuary of the Imperial Life Assurance Company of Canada, is this year president of the American Institute of Actuaries.

Iron Out Differences

The congress has already created considerable discussion in England, and the Statist has taken the opportunity to point out editorially the value of the congress as a means of discussing the many differences that have arisen of late between the practice and forms of contract of British and American, which includes Canadian companies. Particularly the British companies feel that they can learn and adapt to their own conditions from the progressive changes that have been made in American practice in the last few years, and undoubtedly there is much to be learnt on both sides. The list of subjects to be considered by the Congress is as follows:

1. Recent developments in industrial insurance.
2. Disability benefits in life insurance contracts.
3. Group insurance.
4. Social insurance and problems connected therewith. (This expression is used in its widest sense and is intended to include not only national schemes of insurance against sickness, old age, widowhood, etc., but also the insurance required by employers to cover liabilities to injured workpeople (employers' liability insurance) and the voluntary schemes of employers and employees for providing superannuation benefits.)
5. Insurance of under-average lives.
6. "Risk premium" method of re-insurance.
7. Currency depreciation as affecting life assurance contracts.

MOTOR INSURANCE BUSINESS GROWS; RATES TO JUMP?

Increasing Costs May Lead in Time to Higher Premiums

Although it is many years since the fledgling "automobile insurance" was born insurance men have not yet ceased to marvel at the amazing growth of this now full grown member of the casualty family. Away back in 1910 the premiums from automobile insurance were $80,446, and even five years later, that figure had only risen to a little over $500,000. Lately the net premiums written have been growing at the rate of nearly one million dollars a year, and for the year ending 1926 Dominion licensed companies show net premiums written amounting to $8,061,992. Not only has premium growth been rapid but furthermore the number of companies writing this class of risk has grown tremendously. In 1910 there were seven companies writing this business, in 1924 that number had grown to 97, and last year there were no less than 124 companies licensed under a Dominion charter.

Grew More Than Figures Show

The growth during the past year is even greater than the million dollar increase in premiums would indicate, on account of the fact that premium rates during the year fell considerably below the 1925 level; that is to say the keen competition which has characterized the automobile field for the last few years, continued pretty well throughout the year 1926. As far as the 1927 situation is concerned the companies doing business in this field report that conditions are somewhat relieved, and that the great majority of companies are writing automobile risks at approximately the same premium level.

One of the outstanding features of 1926 was the exceptionally good record in the fire and theft department of the automobile field. For three years or so this class of risk has been exceptionally unprofitable to the companies, but in 1926 the trend turned, and the loss ratio for companies writing this class of risk alone, dropped as low as 36 per cent. in individual cases. Invariably where two companies divide the fire and theft, and casualty risk, the company which bears the fire and theft portion shows a better ratio than the other.

Better Police Methods Shown

As far as the theft problem is concerned perhaps the reduction in loss may be attributed to the gradual improvement in police methods, especially in and about the province of Quebec. Whether there are less thieves or not, is problematical, but at any rate the efficiency experts in thieving were decidedly off-color in 1926.

As far as the fire risk is concerned there are two factors which weigh perhaps more heavily than any others. The first of these is the matter of mechanical construction. Undoubtedly each year sees improvements in the construction of automobiles, and whether or not this factor had any definite bearing on the 1926 figures it is impossible to estimate. The second, and perhaps the most important factor is the question of moral hazards. Undoubtedly the distinct improvement in general business conditions has had a beneficial effect upon automobile owners. In the first place there is less risk of cars which have been bought on the instalment plan being deliberately burned on account of the indigence of the owner. Then again the sales conditions in the industry have reacted favorably on the used car market, which in turn decreases fire risk on old cars.

Variation in Auto Risks

Another feature which has been the cause of much discussion among insurance men is the supposed difference between automobile risks in Ontario and elsewhere in Canada. The figures for 1926 seem to show conclusively that whatever may have been the situation in the past, to-day the Ontario automobile risk is well in line with risks in other parts of Canada. Take the ratio of losses incurred to premiums written, and in Ontario for 1926 the figures stand at 54.4, whereas the same ratio for the Dominion licensed companies is 54.1. The ratio of losses incurred to premiums earned shows an almost similar situation: the 1926 figure being 57.1, and the 1925 ratio 55.6.

Comparing the loss ratio for all Dominion licensed companies with 1925 and previous years the 1926 ratio shows a marked increase above the former figures. Perhaps the most accurate figure is the ratio of losses incurred to premiums earned. In 1926 this ratio stood at 57.8, and a year ago the same ratio was 51.4. The difference is even more pronounced when one compares the 1926 ratio with the ratios of previous years. For the three years ending December 31st, 1925, the ratio of losses incurred to premiums earned was only 48.5, and at the end of 1924 the loss ratio, the ratio of losses incurred to premiums written over a ten year period was 48.9.

Expect Rates to Rise

Although Canadian experience has not been sufficiently extensive to speak with authority, nevertheless it is the general opinion among insurance men who are writing this risk in Canada that generally speaking the cost of private passenger risks in the casualty field is increasing. If this opinion is upheld by the experience of the next few years it will mean that casualty premiums, instead of decreasing as in the last few years, will have to increase to keep pace with this upward tendency. The reasons for this prophetic utterance are that, in the first place traffic is becoming consistently more congested; not only in the large cities has the automobile problem become acute, but also on the highways which now thread the two central provinces from end to end. Another factor that is considered to have some bearing on the situation is the fact that the public is gradually becoming educated to the role of claimant. The number of motor vehicle cases that have been heard in recent years in the various courts, show a very steady increase, and with the growth of automobile insurance it is quite probable that there will be a certain stimulus to automobile accident litigation. This tendency for the cost of casualty insurance to increase can only be predicted so far in regard to private passenger risks, for the reason that buses and public vehicles have not as yet given any real statistical experience upon which much credence can be placed.

Another interesting feature of the 1926 experience is the fact that the number of companies writing this class of business has shown another upward jump. In 1925 there were 115 companies licensed under a Dominion charter, but in 1926 no less than 124 companies were engaged in this business, practically all of which were actively engaged in writing this type of risk.

E. J. Harvey, Supervisor of Agencies of the North American Life, is at present visiting the Eastern agencies.

Group Insurance in Force Is Now Over $140,000,000

There is probably no phase of Canadian insurance which has made more amazing growth within the last few years than group insurance. Furthermore there is perhaps no field of insurance which offers more attractive possibilities for the future. Group insurance has been written in Canada only since 1919, and a glance at the statistical progress indicates a very interesting history on the part of this young member of the life insurance group. Starting in 1919 the gross amount of new business written was about eleven million dollars, but the next year, 1920, which was probably the peak of the post-war years, that figure shot up to $66,700,000, the highest amount of group insurance ever written in Canada. However, the next year, with post-war depression, the crash came suddenly, and in 1922 only ten million dollars of group insurance was written.

Since then, however, the growth has been steady and sure, and the next three years were spent in putting the infant industry once more on a sound footing. Thus in 1924, about twenty million dollars of group business was sold in Canada. The stage was apparently set for great things. The great things have materialized, and for the last two years the amount of group insurance written in Canada has practically doubled, the gross amount for 1926 being well over sixty-five millions of dollars.

Canadian Companies Now Active

Canadian companies are taking an increasingly larger share in the business which is written. In 1919, 90 per cent of the business was written by foreign companies, and even in the phenomenal year of 1920 nearly 60 per cent. was written by the United States groups; but since then the picture has changed, and with one exception, that is 1924, the great proportion is now going to the Canadian companies. Last year Canadian companies wrote over 46 millions of dollars against 14 millions written by the American companies. Last year Canadian and American companies were tied for the total amount of group insurance in force, but this year the Canadian companies lead with 117 millions of business in force, as against the American total of 87 millions. Another interesting feature is the fact that Canadian companies are successfully writing group business in the United States, and last year two of the Canadian companies alone wrote about 17½ million dollars worth of business on this basis. The largest writer of group business in Canada is the Sun Life Assurance Company, which last year wrote 69 policies out of a total of 192. This company now has in force 360 policies. The total amount of assurance in force at the end of 1926 was $204,712,279, as against a net total of $141,089,290 in 1925. The total net premium income from group business last year amounted to $2,135,140, as against an income in 1925 of $1,348,796.

The growth of group insurance varies directly according to the prosperity of the country, and now that the idea of group insurance has found favor with the largest Canadian companies, it is fair to assume that given a goodly share of prosperity in the next few years the growth of group insurance will be well in keeping with the phenomenal record of the past.

GROUP INSURANCE (In Canada Only)
(Dominion Licensed Companies)

Company	Net prem. income	New pol. paid for No.	New pol. paid for Net amt.	Total assur. in force No.	Total assur. in force Amount	Net amt. of pol. become death claims	Net disbursements re death claims, mat. endow. & disability benefits
Ætna	$ 194,776	16	$ 3,993,000	116	$22,573,750	$ 105,300	$ 120,800
Canada Life	304,709	57	5,933,330	156	27,654,673	120,280	118,232
Dominion of Canada	......	0	......	1	31,000	......	......
Equitable	45,729	0	......	15	3,258,300	32,857	25,800
Great West Life	47,525	3	473,400	15	3,504,246	9,750	8,580
London	74,074	14	5,993,400	28	8,219,550	43,900	45,200
Metropolitan	407,740	13	7,740,109	133	37,532,384	181,610	203,818
Manufacturers	13,975	1	616,000	5	1,500,061	12,999	13,999
N. American	913	1	111,000	1	121,000	......	......
Northern	1,437	0	......	1	124,000	......	......
Prudential	49,874	5	997,450	9	6,261,350	15,000	32,160
Sauvegarde	4,180	0	......	1	208,200	2,200	2,900
Security	12,320	2	118,500	6	1,333,700	9,200	11,700
Sun	782,587	69	32,838,281	360	74,683,058	355,585	366,698
Travelers of H.	195,301	11	1,243,800	94	17,706,907	121,041	133,521
Total, 1926	2,135,140	192	60,058,570	941	204,712,279	1,009,722	1,087,908
Total, 1925	1,348,796	186	33,143,791	789	141,089,290	713,740	830,442

Fidelity

(Abstract of 1926 Experience of Dominion Companies.)

Company	Net premiums written	Net losses incurred
Alliance Assurance	$ 5,972	$ 239
American Surety	22,689	—4,886
British America	18,857	3,737
Canada Accident	5,742	2,508
Canadian Indemnity	3,579	177
Casualty Co. of Can.	1,324	None
Canadian Surety	52,433	5,504
Dominion Gresham	47,175	12,165
Dom. of Can. G. and A.	68,151	27,258
Employers' Liability	131,207	51,065
Fidelity and Cas.	None	—15
Fidelity Insurance	18,732	1,837
Gen. Acc. of Can.	17,751	1,473
Globe Indemnity	9,439	9
Grain Ins. and Guar.	45,177	15,400
Guar. Co. of N. Am.	107,993	15,774
Guard. Ins. Co. of Can.	21,641	12,857
Hartford Accident	1,969	—107
Imperial Insurance	133	None
International Fidelity	5,970	725
Law, Union and Rock	434	None
Liverp'l & Lon. & Gl.	2,152	—30
Lon. and Lanc. Guar.	16,722	6,411
London and Prov.	6,348	83
Lon. Guar. and Acc.	48,618	18,828
Maryland Casualty	12,115	—2,273
National Surety	87,868	17,909
New York Casualty	1,264	None
North British	360	None
Northern Assurance	3,696	416
Norwich Union	6,976	1,903
Ocean Acc. and Guar.	11,058	—3,[illegible]20
Railway Passengers	10,484	—676
Royal Exchange	3,433	91
Royal Insurance	22,170	4,717
Scottish Metropolitan	1,212	5
Sun Insur. Office	1,231	—7
U. S. Fidelty and Guar.	171,739	92,433
Western Assurance	18,857	3,737
World Marine	1,313	31
Yorkshire	893	None
Totals	$1,014,877	$285,778

Loss Ratio—25.8 per cent.

Surety

(Abstract of 1926 Experience of Dominion Companies.)

Company	Net premiums written	Net losses incurred
Ætna Casualty	$144,174	$ 18,624
Alliance Assurance	6,100	—4,400
American Surety	31,031	—574
British American	5,863	490
Canada Accident	32,289	14,590
Canadian Indemnity	38,108	None
Canadian Surety	91,819	8,595
Casualty Co. of Can.	1,650	None
Dominion Gresham	28,037	7,446
Dom. of Can. G. and A.	28,100	3,450
Employers' Liability	16,731	—17,000
Fidelity and Cas.	None	8
Fidelity Insurance	38,258	17,531
Gen. Acc. of Canada	57,281	4,407
Globe Indemnity	35,857	19,638
Grain Insurance	269	—1,940
Guar. Co. of N. Amer.	63,139	2,976
Guard. Ins. Co. of Can.	8,939	349
Hartford Accident	—13	None
Imperial Insurance	67	None
Law, Union and Rock	847	1
Liverp'l & Lon. & Gl.	6,834	1,640
Lon. & Lanc. G. & A.	28,322	—9,872
London and Prov.	7,022	None
Lon. Guar. and Acc.	51,368	—16,575
Maryland Casualty	22,760	3,891
National Surety	68,230	—6,113
New York Casualty	3	None
North British	671	None
Northern Assurance	4,642	—193
Norwich Union	8,272	7
Ocean Acc. and Guar.	8,916	4,596
Railway Passengers	2,091	None
Royal Exchange	20,845	—8
Royal Insurance	23,894	—805
Scottish Metropolitan	963	25
Sun Insurance Office	1,824	None
U. S. Fidelity and Guar.	171,385	41,809
Western Assurance	5,863	490
World Marine and Gen.	317	None
Yorkshire	2,805	290
Totals	$1,065,573	$93,373

Loss Ratio—34.8 per cent.

Credit

Company	Net premiums written	Net losses incurred
Am. Credit Ind. Co.	$220,176	$ 73,084
National Surety Co.	94,937	48,858
Totals	$315,113	$121,942

Loss Ratio—38.7 per cent.

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Life Insurance

(Abstract of 1926 Experience of Companies Operating Under Dominion License.)

TOTALS IN CANADA ONLY—ALL COMPANIES

	Total net assurance premium income	Consideration for annuities	New assurance paid for—No. of policies	New assurance paid for—Gross amount	New assurance paid for—Net amount	Assurance in force—No. of policies	Assurance in force—Net amount	Net claims—Number	Net claims—Death claims	Net claims—Matured endowments	Death claims matured endowments and disability claims	Life annuity contracts
1926	$159,890,614	$ 873,240	897,021	$823,254,205	$797,940,000	5,554,416	$4,609,902,248	56,980	$26,781,585	$7,860,940	34,484,323	519,479
1925	145,480,207	1,103,749	916,986	736,777,818	712,091,889	5,191,601	4,159,019,848	53,791	22,911,276	9,181,576	32,101,227	403,441

*These companies have ceased transacting new business in Canada.

Canadian Companies

Canadian companies—	Total net assurance premium income $	Consideration for annuities $	New assurance paid for—No. of policies	New assurance paid for—Gross amount $	New assurance paid for—Net amount $	Assurance in force—No. of policies	Assurance in force—Net amount $	Net claims—Number	Net claims—Death claims $	Net claims—Matured endowments $	Death claims matured endowments and disability claims $	Life annuity contracts $
Canada—												
Ordinary (a) ...	9,987,497	45,483	14,488	39,579,009	37,474,169	110,087	277,226,200	1,244	2,714,774	437,946	3,023,840	169,142
(b)	13,161,178	1,221,158	11,194	69,729,716	49,063,053	71,923	246,290,505	866	2,098,812	543,204	2,622,717	688,743
(c)	23,148,675	1,266,641	25,682	109,308,725	86,537,222	182,010	523,516,705	2,110	4,813,586	981,150	5,646,557	857,885
Group (a)	304,709	......	57	5,933,630	5,933,630	156	27,654,673	....	120,280	......	118,232	......
(b)	110,173	......	32	8,256,600	8,256,600	63	26,307,471	....	174,888	......	170,784	......
(c)	414,882	......	89	14,190,230	14,190,230	219	53,962,144	....	295,168	......	289,016	......
Capital	378,982	......	1,327	2,215,100	2,077,600	6,829	11,481,023	39	59,936	6,323	70,048	......
Commercial	223,174	......	514	783,766	779,766	4,075	6,780,498	8	11,500	......	10,500	......
Confederation (a) .	5,371,391	32,949	10,672	19,984,354	19,704,854	80,751	151,999,359	848	1,168,886	405,770	1,493,956	31,208
(b)	4,090,720	53,462	4,007	15,654,904	13,941,853	21,592	70,874,493	208	312,241	224,483	659,105	116,416
(c)	9,462,111	86,411	14,679	35,639,258	33,646,707	102,343	222,873,852	1,056	1,481,127	630,253	2,153,061	147,624
Continental	980,805	3,030	3,188	5,118,917	4,944,082	19,098	29,005,609	124	100,150	77,700	195,020	4,976
Crown (a)	1,903,551	4,283	6,966	15,493,585	15,413,431	32,530	61,429,094	195	274,455	89,868	339,171	......
(b)	427,096	......	974	2,910,550	2,521,206	2,734	6,183,213	9	43,726	......	33,755	......
(c)	2,330,647	4,283	7,940	18,404,135	17,934,637	35,264	67,612,307	204	318,181	89,868	372,926	......
Dominion (a)	3,134,467	130	7,254	16,476,809	15,348,374	42,994	87,465,873	268	327,414	147,461	473,750	400
(b)	22,716	......	257	408,806	376,806	382	564,806	....	......	......	......	......
(c)	3,157,183	130	7,511	16,885,615	15,725,180	43,376	88,030,679	268	327,414	147,461	473,750	400
Dom. of Can.—Ord.	70,327	......	972	1,598,380	1,542,880	1,598	2,720,403	5	7,000	......	7,000	......
Group	......	......	....	......	......	1	31,000	....	......	......	......	......
Eaton	290,517	......	1,691	2,996,497	2,793,247	4,553	8,171,900	9	14,900	......	14,900	......
Excelsior—Ordinary	2,296,398	16,570	5,832	12,119,919	11,809,419	37,439	66,682,400	302	339,209	113,429	452,894	2,054
Industrial	444	......	....	......	......	111	15,096	12	751	836	751	......
Great-West—Ord.(a)	14,037,544	51,311	22,410	50,013,119	49,034,319	184,727	404,846,587	1,086	2,010,425	364,796	2,455,931	25,400
(b)	1,228,476	64,017	5,273	11,006,999	10,700,499	20,055	42,576,295	67	208,040	4,000	219,256	9,562
(c)	15,266,020	115,328	27,683	61,020,118	59,734,818	204,782	447,422,882	1,153	2,218,465	368,796	2,675,187	34,962
Group— (a)	47,525	......	3	473,400	473,400	15	3,504,246	....	9,750	......	8,580	......
(b)	309	......	1	45,000	45,000	1	45,000	....	......	......	......	......
(c)	47,834	......	4	518,400	518,400	16	3,549,246	....	9,750	......	8,580	......
Imperial (a)	7,187,979	15,102	10,774	31,937,998	29,361,959	77,293	188,505,924	506	1,078,644	212,563	1,238,179	6,419
(b)	749,119	......	900	2,121,928	2,068,928	7,434	15,358,111	105	84,209	85,473	183,418	......
(c)	7,937,098	15,102	11,674	34,059,926	31,430,887	84,727	203,864,035	611	1,162,853	298,036	1,421,597	6,419
London—Ord. (a)..	4,854,119	89,985	11,876	32,727,104	32,118,828	80,521	152,769,854	398	558,228	84,897	660,169	13,734
(b)	2,696	......	....	......	......	38	79,000	....	......	......	......	......
(c)	4,856,815	89,985	11,876	32,727,104	32,118,828	80,559	152,848,854	398	558,228	84,897	660,169	13,734
Industrial (a) ...	3,049,636	......	79,293	34,008,370	34,008,370	348,517	90,188,191	5,916	438,627	384,871	572,089	......
Group (a)	74,074	......	14	5,993,400	5,993,400	28	8,219,550	....	43,900	......	45,200	......
Manufacturers—												
Ordinary (a) ...	8,622,246	18,443	16,565	40,499,570	39,459,502	110,307	232,955,075	755	1,237,067	316,041	1,596,677	13,280
(b)	6,051,730	99,291	10,272	26,603,358	24,964,647	54,704	116,597,995	812	839,781	626,775	1,528,079	36,064
(c)	14,673,976	117,734	26,837	67,102,928	64,314,140	165,011	349,553,070	1,567	2,076,848	942,818	3,124,756	49,344
Group—(a)	13,975	......	1	616,000	616,000	5	1,500,061	....	12,999	......	13,999	......
(b)	2,920	......	1	197,500	197,500	1	197,500	....	......	......	......	......
(c)	16,895	......	2	813,500	813,500	6	1,697,561	....	12,999	......	13,999	......
Maritime (a)	47,362	......	338	662,025	587,775	1,020	1,797,421	3	8,000	......	8,120	......
(b)	38,096	......	327	620,000	575,000	637	1,163,750	1	5,000	......	5,000	......
(c)	85,458	......	665	1,282,025	1,162,775	1,657	2,961,171	4	13,000	......	13,120	......
Monarch	1,350,666	2,000	3,922	6,804,225	6,575,475	24,605	46,049,216	68	126,530	5,000	135,823	82
Montreal	787,230	......	3,228	6,420,832	5,808,832	14,384	24,731,338	54	66,000	12,750	91,317	......
Mutual of Can. (a)	12,622,206	77,973	18,894	46,590,800	45,132,551	155,470	339,012,731	1,305	1,739,182	734,970	2,531,642	20,092
(b)	68,422	......	113	216,000	216,000	989	1,947,313	9	6,027	16,000	21,977	......
(c)	12,690,628	77,973	19,007	46,806,800	45,348,551	156,459	340,960,044	1,314	1,745,209	750,970	2,553,619	20,092
National of Can. (a)	1,362,751	......	3,831	7,670,470	6,857,810	21,987	40,851,834	173	242,559	95,500	335,223	35
(b)	26,646	......	78	149,250	114,250	539	879,528	1	1,000	......	1,000	......
(c)	1,389,397	......	3,900	7,819,720	7,002,060	22,526	41,731,362	174	242,559	95,500	336,223	35
North American—												
Ordinary (a) ...	4,724,082	2,421	10,605	25,199,341	20,976,547	70,878	132,366,351	645	771,594	344,566	1,045,850	3,079
(b)	382,728	......	603	1,496,421	1,418,421	5,410	10,488,055	70	38,522	66,578	95,270	......
(c)	5,106,810	2,421	11,208	26,695,762	22,394,968	76,288	142,854,406	715	810,116	411,144	1,141,120	3,079
Group (a)	913	......	1	111,000	111,000	1	121,000	....	......	......	......	......
Northern, Ordinary	1,059,422	2,051	5,161	7,595,534	7,246,513	20,758	31,752,194	148	192,513	65,160	252,017	477
Group	1,437	......	....	......	......	1	124,100	....	......	......	......	......
Royal Guardians—												
Ordinary	116,381	......	483	491,000	478,000	2,841	3,371,457	44	66,562	......	66,562	......
Industrial	14,788	......	1,426	230,491	230,491	3,509	468,699	12	1,636	......	1,212	......
Saskatchewan	298,798	6,008	1,355	1,645,500	1,633,500	5,900	9,221,156	22	42,500	......	40,495	600
Sauvegarde, Ordin..	682,301	1,587	3,310	4,702,672	4,494,672	15,589	21,251,510	125	114,467	50,300	163,922	200
Group	4,180	......	....	......	......	1	208,200	....	2,200	......	2,400	......
Security, Ordinary	214,059	......	1,537	1,753,695	1,514,245	7,949	7,906,215	40	35,200	1,100	34,412	......
Group	12,320	......	2	118,500	118,500	6	1,333,700	....	9,200	......	11,700	......
Sovereign	697,800	......	2,118	3,785,306	3,641,706	11,120	20,986,983	43	90,000	4,075	81,599	......
Sun, Ordinary (a)	15,058,903	271,180	26,495	68,110,143	67,092,643	188,337	402,132,787	1,642	2,252,592	830,393	3,189,686	107,756
(b)	37,044,261	4,078,948	42,656	164,584,899	153,857,606	291,729	764,159,889	7,216	8,339,791	5,787,049	13,722,222	4,797,954
(c)	52,103,164	4,350,128	69,151	232,695,042	220,950,249	480,066	1,166,292,676	8,858	10,592,383	6,617,442	16,911,908	4,905,710
Thrift (a)	6,530	......	....	......	......	1,592	213,994	213	3,096	21,315	30,307	......
(b)	6,169	......	....	......	......	1,204	218,586	133	5,649	13,781	23,428	......
(c)	12,699	......	....	......	......	2,796	432,580	346	8,745	35,096	53,735	......
Group (a)	782,587	......	69	37,592,506	32,838,281	360	74,683,058	....	355,585	......	366,698	......
(b)	138,164	......	45	9,469,171	9,469,171	112	15,081,801	....	95,570	......	100,210	......
(c)	920,751	......	114	47,061,677	42,307,452	472	89,764,859	....	451,155	......	466,908	......
Western	205,025	......	733	1,112,440	1,102,940	4,718	7,998,170	8	9,650	......	10,518	......
Total, 1926 (a)	102,879,101	640,506	277,405	539,165,407	515,328,711	1,692,661	2,979,652,730	16,260	16,656,961	4,807,130	21,190,389	398,934
(b)	63,551,619	5,516,876	76,733	318,471,102	277,756,540	479,547	1,319,013,311	9,497	12,253,256	7,367,343	19,386,221	5,648,739
(c)	166,430,720	6,157,382	354,138	852,636,509	793,085,251	2,172,208	4,298,666,041	25,757	28,910,217	12,174,473	40,576,610	6,047,673
Total, 1925 (a) ...	93,599,325	718,132	249,791	467,736,555	443,895,626	1,562,930	2,672,989,676	17,039	13,526,076	5,967,057	19,430,607	324,263
(b)	52,325,148	6,529,058	66,252	255,025,127	219,910,645	394,074	1,049,579,518	8,725	8,958,712	7,543,273	16,659,635	3,640,696
(c)	145,924,473	7,247,190	316,043	722,761,682	663,806,271	1,957,004	3,722,569,189	25,764	22,484,788	13,510,330	36,090,242	3,964,959

(a) In Canada. (b) Out of Canada. (c) Total business.

British Companies

British companies—	Total net assurance premium income $	Consideration for annuities $	New assurance paid for—No. of policies	New assurance paid for—Gross amount $	New assurance paid for—Net amount $	Assurance in force—No. of policies	Assurance in force—Net amount $	Net claims—Number	Net claims—Death claims $	Net claims—Matured endowments $	Death claims matured endowments and disability claims $	Life annuity contracts $
Commercial Union..	15,831	......	3	3,933	3,933	113	520,871	13	21,195	2,002	9,723	......
*Edinburgh	47	......	....	......	......	2	2,744	1	1,824	......	1,824	......
*Gresham	147,570	......	....	......	......	1,711	3,599,990	15	24,327	3,000	46,831	......
†"Life Asso. of Scot.	712	......	....	......	......	54	109,415	10	21,252	......	19,163	......
*Liverpool & London & Globe	3,549	......	....	......	......	88	142,127	2	1,128	......	484	225
London and Scottish	696,378	......	559	1,098,653	1,098,653	8,371	19,141,549	214	133,788	211,293	354,230	......
Mutual and Citizens'												
Ordinary	457,487	......	2,183	2,952,403	2,932,403	8,761	12,089,799	42	63,081	1,065	52,549	......
Industrial	607,391	......	41,339	7,977,795	7,977,795	93,847	15,160,677	629	87,774	......	56,659	......
North Brit. & Mer.	77,501	......	1	1,500	1,500	439	2,074,705	5	12,373	......	13,762	862
*Norwich Union ..	1,684	......	....	......	......	43	55,075	1	1,281	......	1,281	......
Phoenix of London.	228,474	......	69	204,867	184,867	2,078	7,696,599	61	135,370	67,970	212,903	1,132
Royal	803,128	......	332	1,684,362	1,599,362	5,753	23,082,161	65	172,337	58,567	224,505	270
*Scottish Amicable.	252	......	....	......	......	8	16,959	....	......	......	......	......
*Scottish Provident.	93	......	....	......	......	2	6,626	....	......	......	......	......
†Standard	870,916	......	619	2,244,287	2,244,287	10,776	27,600,228	298	286,711	333,406	667,997	7,345
*Star	1,791	......	....	......	......	49	75,763	2	......	2,116	2,116	......
Total, 1926	3,912,804	......	45,105	16,167,800	16,042,800	132,095	111,375,288	1,358	962,441	679,419	1,664,027	9,834
Total, 1925	4,121,230	5,403	50,886	17,443,928	17,118,928	121,857	108,565,248	1,327	1,028,487	700,203	1,767,076	9,859

* These companies have ceased transacting new business in Canada.

† Date of returns—Life Association of Scotland, April 5, 1926; Standard, November 15, 1926.

Foreign Companies

Foreign companies—	Total net assurance premium income $	Consideration for annuities $	New assurance paid for—No. of policies	New assurance paid for—Gross amount $	New assurance paid for—Net amount $	Assurance in force—No. of policies	Assurance in force—Net amount $	Net claims—Number	Net claims—Death claims $	Net claims—Matured endowments $	Death claims matured endowments and disability claims $	Paid on Life annuity contracts $
Ætna, Ordinary ...	1,526,492	36	2,085	8,512,188	8,029,188	17,280	55,596,542	397	550,958	193,708	774,526	5,425
Group	194,776	......	16	4,577,500	3,993,000	116	22,573,750	....	105,300	......	120,800	......
Connecticut General	......	......	....	......	......	......	......	....	......	......	......	......
*Mutual	23,838	......	....	......	......	357	1,026,773	14	20,934	......	24,991	......
Equitable, Ordinary	904,016	4,170	11	49,300	49,300	11,013	26,803,581	211	602,597	82,007	576,952	15,662
Group	45,729	......	....	......	......	15	3,258,300	....	32,857	......	25,800	......
Guardian	11,840	......	1	5,000	5,000	39	195,086	2	......	3,000	3,000	......
Metropolitan, Ord.	10,891,186	112,567	32,738	55,594,931	55,594,931	258,853	356,766,055	2,424	1,544,828	677,798	2,235,628	49,735
Industrial	15,025,539	......	310,051	64,722,039	64,722,039	2,090,918	310,464,350	27,622	1,788,849	770,889	2,568,703	......
Group	407,740	......	13	7,740,109	7,740,109	133	37,532,384	....	181,610	......	203,818	......
Mutual of N. York	2,588,680	305	3,150	8,426,725	8,334,225	24,952	69,253,778	268	608,456	75,807	815,483	6,804
*National of U.S...	53	......	....	......	......	27	13,719	....	......	......	......	......
New York	5,543,649	115,430	9,008	19,689,100	19,541,600	71,930	160,483,195	664	1,150,988	259,766	1,416,449	13,131
*Northwestern Mut'l	419	......	....	......	......	40	27,817	6	8,809	......	8,809	......
*Phoenix Mutual ...	16,986	......	....	......	......	80	52,553	6	8,624	......	8,624	......
*Provident Savings	10,395	......	....	......	......	278	432,769	21	17,670	12,000	29,870	78
Prudential, Ordinary	4,912,973	......	14,353	26,456,477	26,456,477	96,635	137,408,861	536	653,697	50,923	858,674	8,352
Industrial	8,116,766	......	198,330	49,827,225	49,827,225	1,126,967	207,520,172	6,901	1,192,308	......	1,001,377	......
Group	49,874	......	5	997,450	997,450	9	6,261,350	....	15,000	......	82,160	......
State	24,199	......	1	56,924	56,924	435	1,207,973	2	6,000	......	5,436	......
Travelers of Hartford—												
Ordinary	2,304,191	226	4,496	19,209,730	19,209,730	25,709	94,945,032	199	454,089	165,158	582,311	11,524
Group	195,301	......	11	1,243,800	1,243,800	94	17,706,907	....	121,041	......	133,521	......
Union Mutual	281,459	......	232	703,500	678,500	3,530	8,618,872	79	79,218	82,335	183,060	......
United States	22,608	......	10	109,000	89,000	250	724,411	10	18,350	1,000	19,915	......
Total, 1926	53,098,709	232,734	574,511	267,920,998	266,568,498	3,729,660	1,518,874,230	89,362	9,162,183	2,374,391	11,629,907	110,711
Total, 1925	47,759,652	380,214	616,309	251,597,335	251,077,335	3,506,814	1,377,464,924	35,425	8,356,713	2,514,316	10,903,544	69,319

Held First Policy

William Gibbons, citizen of London, has but one claim to fame—the earliest known insurance policy was issued to him on June 18, 1583, at the office of insurance in the Royal Exchange.

It was for £383, 6s. 8d. for 12 months on the life of the said William Gibbons. There were 16 underwriters, who signed the policy each for his own share, and the premium was eight per cent. The age of the insured was not referred to, nor, indeed, was it then considered, except when the policyholder was advanced in years.

When Gibbon died, it was disputed whether the time for which the life was insured was for 12 months of 28 days each or for a full year. The court decided that the policy was for a full year and the underwriters paid.

Why Insurance Grows

The chief cause of the great development of life insurance since 1906 has been not the lower unit cost, nor the war, nor the influenza epidemic, nor the new types of insurance, but the work of carefully trained insurance salesmen, said M. Albert Linton, vice-president of the Provident Mutual Life, in an address on "The Growing Conquest of Dependency in America."

Life Insurance Not Overdone

"Life Insurance," says G. D. Finlayson, Dominion superintendent of insurance, "is co-operation with the failure and losses cut out. It is socialism with coercion cut out. It is communism with Bolshevism cut out. It is gambling with the losses cut out. It is the instalment plan of purchasing with the extravagance cut out. Life insurance is a wonderful thing with a wonderful field for its development.......

"The claim is sometimes made that life insurance is overdone. In Canada there is an average insurance in effect of about $500 per individual, or about $2,500 for each family, which would return an income of $10 monthly to each family. Assuming that life insurance is a good thing, of course, insurance to produce $10 a month is not enough. I want to see the average increased ten times, and I think the time is coming when it will be raised five times at least."

A Remarkable Record

The assurances in force in the Sun Life Assurance Company of Canada at December 31st, 1926, net, were $1,256,490,000

This is an increase over 1925, after deduction of re-assurances, of over 23%. The total Sun Life business in force now exceeds the total life assurance in force in Canada, in all companies, before the War. The increase in Sun Life business in force in 1926, over 1925, is greater than Sun Life total business in force at the end of 1914.

The assets of the Sun Life Assurance Company of Canada at December 31st, 1926, were $345,251,000

These assets have doubled in four years and are five times greater than at the end of 1914. They exceed the total business in force in 1916.

The Sun Life has paid to policy holders and beneficiaries since organization . $257,816,000

It holds as a surplus and as a contingency account, ... $45,011,000

It has doubled its profit scale to policy holders in six years.

Its dividends to policy holders have been increased for the seventh successive year.

THE SUN LIFE ASSURANCE COMPANY OF CANADA

This Man is an Insurable Asset of Yours!

He is your "Customer," or so you think. He "buys your goods," — but is he not just as much the "Custodian" of your goods as a Customer of your House?

Did you ever realize that you have a direct financial interest in this man's life — that the law would agree you have an "insurable interest"? Why let this risk go uncovered? If he died you would surely lose. His other creditors would step in, and with everybody reaching for their money overnight, your account against him might be classed with the doubtful ones.

Has he a "solvent" estate — is there a commercial protection policy on his life as well as fire insurance on the stock you have sold him?

Your important customers should carry life insurance to make **your** position secure. If you would like to discuss this important matter with us, we will gladly advance some valuable suggestions.

Canada Life
Assurance Co.
Head Office: TORONTO, CANADA

QUEBEC'S POLICY IS CHIEF INTEREST IN COMPENSATION

Attention Focussed on New Development in That Province

Unfortunately the figures for workmen's compensation and employers' liability insurance have only been segregated for the last two years by the Department of Insurance at Ottawa. Previous to 1925 workmen's compensation insurance was grouped with other forms of accident and the experience of Dominion life companies was not available in the blue books of the department. Since 1925, however, the figures have been given separately and the experience of this class of risk is by no means a happy one. In 1925, 44 companies were reported as writing this class of risk, and gross premiums written amounted to $2,320,074. The losses incurred on these premiums amounted to over $1,900,000, with the result that a loss ratio of 82.3 per cent. was experienced.

The 1926 experience has been somewhat better and, although a larger amount of insurance was written, the ratio of losses incurred through premiums written was reduced to 71.1 per cent. There were 49 companies writing compensation risks whose gross premiums written amounted to $3,039,914 and losses incurred to $2,104,072.

Most of this business is written in the Province of Quebec, as Quebec and New Brunswick are the only two provinces in which private companies are still able to write this kind of risk. All the other provinces have adopted the compensation board or commission system which takes the class of insurance outside the pale of private companies.

In Quebec two years ago a royal commission was named to investigate the question of compensation and a new and greatly increased scale of benefits was decided upon for the province. The commission disagreed as to the question of employing a commission system of retaining the judicial system so that the government, without committing itself to either system, followed the majority idea of the commission and brought in the new act which was to take effect on April 1, 1927, with no interference in the writing of business by private companies. However, the insurance companies did not file their schedule of revised rates until a few months before the Act was to come into force. When these rates were filed it was found that the cost of compensation to employers in Quebec would be greatly in excess of the cost in other provinces, particularly in Ontario. This caused a very decided protest from the manufacturers and business men of the province, with the result that two weeks before the Act was to go in force, the government decided to cancel it altogether and return to the old system for another year at least.

At the present time, the government has definitely said that the new Act as amended will not come into force, but they promise that before April 1, 1928, some new system will be devised. Whether it will be a commission controlling private companies, or whether a state monopolistic fund will be decided upon in the next few months, as there is to be a general election in Quebec, either in May or June, and when the air has been cleared, it is expected that the government will bring forth a definite programme for compensation insurance in Quebec.

Employers' Liability and Workmen's Compensation

Company	Net premiums written	Net losses incurred
Alliance Assurance	$ 13,343	$ 2,770
Autocar	6,956	4,781
British American	3,499	445
British Oak	18,766	61,649
Canada Accident	57,411	28,354
Canadian Indemnity	5,232	815
Canadian Surety	2,176	18
Car and General	8,099	1,416
Cas. Co. of Canada	797	None
Continental Casualty	1,525	274
Dominion Gresham	104,009	85,180
Employers Liability	654,608	472,546
Fidelity and Cas.	None	720
Fidelity Insurance	607	775
Gen. Acc. of Canada	36,187	25,614
Gen. Acc., Fire and Life	1,221	109
Globe Indemnity	71,262	46,860
Guard. Ins. Co. of Can.	21,631	7,858
Hartford Accident	80,762	89,822
Imperial Insurance	32	None
Indemnity Ins. Co.	483,306	264,094
Law, Union and Rock	3,239	1,469
Liverp'l & Lon. & Globe	3,170	882
Lon. and Lanc. Guar.	12,637	5,316
Londan and Scottish	1,082	274
Lon. and Guar. and Acc.	76,514	67,235
Lumbermen's Mu. Cas.	10,377	3,870
Maryland Casualty	25,885	9,202
Merch. and Empl.	203,786	104,210
Motor Union	51	None
New York Casualty	7,997	12,528
North American Acc.	60,246	55,767
North British	3,171	63
Northern Assurance	89,632	64,655
Norwich Union Fire	20,616	15,757
Ocean Acc. and Guar.	50,638	27,695
Queensland	10,962	2,569
Railway Passengers	32,901	15,912
Royal Exchange	26,916	26,034
Royal Insurance	72,741	56,213
Scottish Metropolitan	4,454	4,568
Sun Insur. Office	4,808	—1,401
Travelers Insurance	264,494	244,133
Union Assurance	7,990	13,600
Union of Canton	146,498	164,852
U. S. Fidelity & Guar.	114,402	40,530
World Marine	29,476	19,012
Yorkshire	72,325	36,923
Zurich	111,477	75,293
Totals	$3,039,914	$2,164,072

Loss Ratio—71.1 per cent.

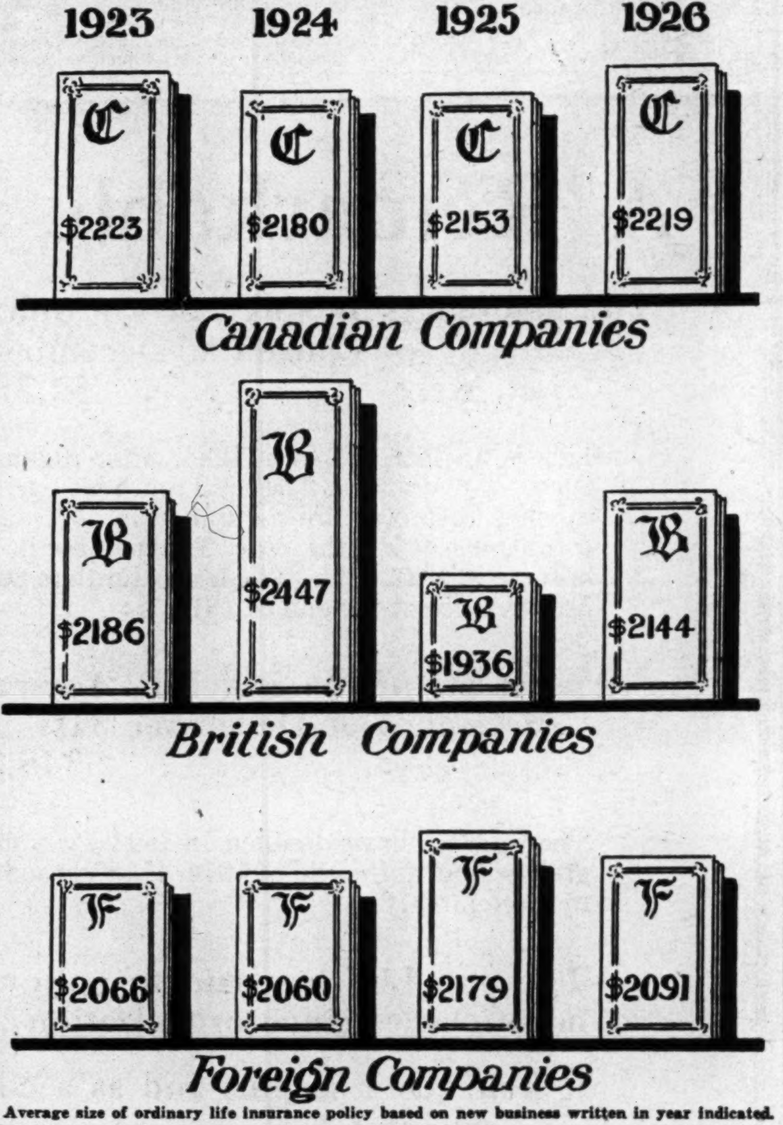
Live Stock

(Abstract of 1926 Experience of Dominion Companies.)

Company	Net premiums written	Net losses incurred
Canadian General	$15,407	$ 8,859
Hartford Live Stock	65,928	68,956
Yorkshire	7,022	1,225
Totals	$88,357	$79,040

Loss Ratio—89.8 per cent.

Life Policies Average Over $2,000 Each



Average size of ordinary life insurance policy based on new business written in year indicated.

Chief Provincially Licensed Companies

LIFE INSURANCE

	Net premium income	New policies issued	Net insurance in force	Death claims paid	Assets
Commonwealth	$156,457	$3,009,928	$ 6,047,335	$ 24,875	$ 297,223
Empire	112,540	2,309,037	4,516,082	6,000	261,943
Equity	161,109	689,214	5,763,648	24,500	1,281,581
Ontario Equitable	884,903	7,529,432	30,089,228	126,600	3,822,315
Western Empire	227,313	2,001,897	8,483,051	24,575	1,109,005

FIRE INSURANCE

	Net premium written	‡Net losses incurred	‡Gross new and renewed	Net amount at risk	Total assets
Economical Mutual	$253,885	$131,970	$16,913,657	$40,758,586	$1,538,796
Federal	126,095	54,881	22,955,418	24,467,389	502,359
Gore District Mutual	302,474	143,150	22,688,444	48,988,616	1,434,256x
Merchants	264,687	135,596	41,250,118	67,077,300	673,024x
Perth Mutual	268,441	132,159	29,996,635	48,555,601	1,292,896
Portage La Prairie Mutual	......	165,873	27,152,382	64,555,416	1,222,417
Provident	592,590	268,317	17,307,750	14,918,450	435,975x
Queen City	129,609	44,818	25,337,950	35,472,378	696,635x
Toronto Casualty	818,610	566,921	28,362,578	25,200,727	659,392
Waterloo Mutual	341,702	186,997	43,275,773	69,800,538	1,630,512
Wawanesa Mutual	......	224,310	51,428,762	125,749,692	2,270,880
†Wellington	238,121	85,460	37,608,754	33,866,805	289,932x

*No Quebec figures being available for 1926, only Ontario and Manitoba companies are included.

x1925.

†Without capital stock. ‡Fire only.

INSURANCE LICENSES

Dominion license has been issued to the Sentinel Fire Insurance Company, authorizing it to transact in Canada the business of fire insurance, tornado insurance, sprinkler leakage insurance, hail insurance, automobile insurance, excluding insurance against loss or damage by reason of bodily injury or death by accident to any person and insurance against damage to property of any kind caused by the explosion of natural or other gas.

A. S. Hill, Montreal, Que., has been appointed chief agent in Canada.

License has been issued to the Constitution Indemnity Company of Philadelphia, authorizing it to transact in Canada the business of automobile insurance limited to insurance against liability for loss by reason of bodily injury to the person.

T. Meunier, Montreal, Que., has been appointed chief agent in Canada.

Licenses have been issued to the Merchants' and Employers' Guarantee and Accident Company to write accident insurance, automobile insurance, excluding insurance against loss or damage by fire, plate glass insurance, and sickness insurance; to the American Insurance Company to write insurance against damage to property of any kind caused by the explosion of natural or other gas; to the British Oak Insurance Company, Limited, to write tornado insurance; to the London Life Insurance Company to write accident insurance and sickness insurance.

THE
General Accident Assurance Co. of Canada
Insurance that Really Insures
Automobile, Burglary, Plate Glass, Boiler, Electrical Machinery, Guarantee, Accident, Sickness, Liability, (all lines), Fire, Hail, Explosion and Sprinkler Leakage
Thos. H. Hall Managing Director W. A. Barrington, Manager

1887 — 1927
"40 Years of Successful Progress"
The
Canadian Order *of* Chosen Friends
Insures Men, Women and Children
Issues Certificates Under the Following Plans—
Whole Life—Twenty Year Pay Life—Endowment at 65
Sick and Funeral Benefit Insurance
AGE LIMIT—Under 50 years and six months
An Adequate Rate Society 105 Per Cent. Solvent
These valuations are made on the Canadian Men Ultimate Table at 3½ per cent. interest
Over $11,000,000 paid to beneficiaries and members
ACTUARIAL RATES fixed by Age at Nearest Birthday
MEMBERSHIP 15,000 ASSETS OVER $1,500,000
Head Office - Hamilton, Ontario
For Further Information Apply to
Wm. Benson, Grand Councillor, 881 Queen St. W., Toronto, Ont.
Wm. F. Montague, Grand Recorder-Treasurer, Hamilton, Ont.

FIRE INSURANCE LOSSES GETTING DOWN NEARER TO NORMAL PROPORTION

(Continued from page 17)

been put upon the gradual absorption and disappearance of the purely Canadian fire insurance company. A record of the premiums and losses by provinces of the various companies doing business under a Dominion license is shown in the following table.

FIRE EXPERIENCE BY PROVINCES
(Dominion Licensed Companies)
Canadian Companies

Company	Net premiums written	Net losses incurred
Alberta	$789,006	$391,988
British Columbia	834,642	394,197
Manitoba	792,826	285,067
New Brunswick	327,109	182,838
Nova Scotia	429,367	222,695
Ontario	3,322,854	1,466,260
Pr. Edward Island	39,836	51,478
Quebec	2,082,736	1,071,394
Saskatchewan	1,101,167	518,209
Yukon	318	......
Totals	$9,747,656	$4,655,064

British Companies

Company	Net premiums written	Net losses incurred
Alberta	$1,678,252	$ 870,416
British Columbia	2,743,925	1,220,724
Manitoba	1,694,069	578,144
New Brunswick	990,937	485,810
Nova Scotia	934,335	543,041
Ontario	9,115,213	4,072,581
Pr. Edward Island	128,818	122,209
Quebec	6,281,594	3,241,016
Saskatchewan	1,635,336	686,685
Yukon	5,569	......
Totals	$25,219,392	$11,884,838

Foreign Companies

Company	Net premiums written	Net losses incurred
Alberta	$1,463,478	$ 961,439
British Columbia	2,234,073	1,242,381
Manitoba	1,487,028	695,541
New Brunswick	839,660	411,753
Nova Scotia	946,933	588,282
Ontario	6,191,649	3,138,980
Pr. Edward Island	68,759	79,096
Quebec	5,131,839	2,688,413
Saskatchewan	1,559,042	656,077
Yukon	2,674	1,000
Totals	$19,927,284	$10,472,962

CANADIAN FIRE EXPERIENCE
by Provinces (all companies)

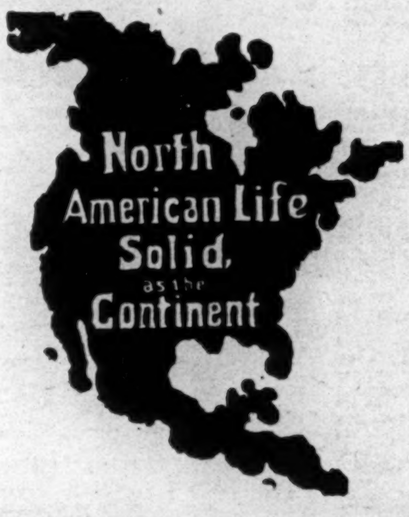
	Net premiums written	Net losses incurred	Loss ratio per cent. 1926	1925
Alberta	$ 3,930,736	$ 2,223,843	56.5	41.9
Br. Col.	5,812,641	2,857,302	49.1	57.3
Man.	3,973,923	1,558,752	39.2	46.2
N. B.	2,157,706	1,080,401	50.2	63.5
N. S.	2,310,635	1,354,018	58.6	74.3
Ontario	18,629,716	8,677,821	46.6	51.5
P. E. I.	237,413	252,783	106.6	18.7
Quebec	13,496,169	7,000,823	51.8	55.0
Sask.	9,295,545	1,860,971	43.3	47.5
Yukon	8,561	1,000	11.7	6.8
Total	$54,894,332	$27,012,864	49.2	53.0

Fraud Insurance

Company	Net premiums written	Net losses incurred
National Surety	$13,556	$4,170
Totals	$13,556	$4,170

Loss Ratio—32.0 per cent.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO.
Writing Fire Insurance at Cost Assets $3,751,733.94
ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE.
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

Once a Policyholder Always a Client
"I am sending in an application on George P——age sixty-one. He took his first policy with us forty years ago."
One of the many examples of the regard in which the North American Life is held by its clients. The Company has a well-merited reputation for fair dealing and efficient service.
That constitutes one reason why North American Life Policies are easy to sell.


North American Life Assurance Co.
Head Office—Toronto
Solid as the Continent

British Colonial Fire Insurance Company
THEODORE MEUNIER, Pres. & Gen. Manager
B. A. CHARLEBOIS, Vice-President
Applications for Agencies Invited
Fire, Explosion, Windstorm, Sprinkler Leakage
Automobile, Marine and Inland Transportation
Fire Association OF PHILADELPHIA
Founded 1817
THEODORE MEUNIER, Manager
B. A. CHARLEBOIS, Asst. Manager
Head Office for Canada 90 St. James Street, Montreal

National Guaranty Fire Insurance Company
Newark, N.J.
Fire Insurance at non-tariff rates
CANADIAN BRANCH
286 St. James Street, Montreal
J. THIBAUDEAU, Manager
Applications from responsible agents throughout Canada invited
THE Canadian Union Insurance Company
286 St. James St., Montreal
Fire Insurance at non-tariff rates
W. B. WOOD, President
J. THIBAUDEAU, General Manager
T. A. GRANT, Assistant Manager
THIBAUDEAU, WOOD & COMPANY
LIMITED
General Agents
286 St. James Street - MONTREAL

Forgery Insurance Has Job to do in Protecting Against Litigation

Legal Responsibility of the Banks No Bar to Need For Policy

THEORY AND REALITY

Theory is Such Insurance is Not Necessary—Reality is That It Serves Very Useful Purpose

If William Shakespeare, residing in Canada in this enlightened age, were asked why he should purchase a forgery insurance policy, he might well reply "To make assurance doubly sure, I'll take a bond of faith."

This would be true because of the perplexing paradox that by Canadian law, William Shakespeare would be fully protected against forgery. If he took out an insurance policy on this class of risk, he would be merely adding another bond to that which is already provided by the strong arm of the law.

Why is it that forgery insurance is a "double bond"? Broadly speaking, there are three ways in which a cheque or other negotiable instrument may be forged or altered. There is the forging of the maker's name on the cheque; there is forgery of the endorsement, that is the forging of the payee's name, and finally there is the "raising" or alteration in the "body" of the cheque. These are the three forms of forgery which might be practised and against which are issued forgery and alteration policies for the protection of corporations and business men.

Bank Must Make It Good

It is at this point that the paradox of "double protection" appears. According to the best interpretation and authorities on Canadian law, a forged instrument or cheque, (if such a forgery is detected within a year) becomes immediately inoperative. In other words a forged cheque cannot be charged against the customer's account, but is chargeable to the bank, which therefore must assume responsibility for the same.

Take the first case where the maker's own name has been forged on a cheque. The law distinctly and clearly states, that if a bank accepts a cheque, the signature of which is forged, it cannot recover the money because it is bound to know the signature of its own customers. The legal authority for this is found in section 49 of the Bills of Exchange Act. The main provision of this Act, as interpreted by T. T. McLaren and T. D. Falconbridge, lays down the general principle "that where a signature on a bill is forged or placed thereon without the authority of the person whose signature it purports to be, the forged or unauthorized signature is wholly inoperative." What need can there be for insurance against loss in this regard?

Convincing Insurance Company

The argument may perhaps be advanced that the bank will deny that a forgery has been committed, if it is an exceedingly clever one, and that for lack of sufficient proof the customer may be forced to pay the cheque. However, the question immediately arises that it may be equally hard to convince the insurance company of the forgery in order to collect insurance for the amount of the cheque. The next matter is that of a forged endorsement. Here again Mr. Falconbridge in his book entitled "The Law of Banks and Banking" can be quoted as authority; he says: "The result in Canada is to leave the case of a bank paying a cheque on a forged or unauthorized endorsement to be governed as between bank and customer by the general principle, section 49, that endorsement is inoperative and that the bank is not authorized to charge the amount of the cheque to the customer."

The third method of forgery which involves the fradulent alteration of the body of the cheque is covered by another section of the act which states that where a bill or acceptance is materially altered without the consent of the various parties concerned, the bill becomes voided. This applies equally to cheques and includes alteration of the date, time or place of the cheque or bill. With regard to this latter type of forgery it is interesting to notice that there is a very important difference between English and Canadian law. The difference centres about the responsibility of the maker of the cheque to exercise care in drawing up the instrument. In England, the responsibility is upon the customer, or the maker of the cheque, to see that no spaces are left or that an opportunity is left for alteration. If the customer has been negligent, the bank may not be liable. In Canada, on the other hand, the opposite condition exists, and banks are considered liable in spite of the fact that a customer has exercised no care in the making of a cheque.

Why Banks Are Liable

This situation arose in the following manner; the original case on the point was Young vs. Grote in 1827, where the court decided that customers must exercise care in making out their cheques. About eighty years later the case of Colonial Bank of Australia vs. Marshall was taken to the Privy Council, who decreed that irrespective of the customer's carefulness, the banks were nevertheless liable for a fraudulent alteration. Again in 1918, the case of London Stock Bank vs. MacMillan was taken to the House of Lords who reviewed the whole legislation on the point and decided that after all the onus of responsibility rested with the customer, and not with the bank. But Canada is not governed by the decisions of the House of Lords, but is still under the Privy Council ruling of Colonial Banks vs. Marshall.

In view then, of the situation that it is the bank and not the customer which is liable for a forged cheque, why is it that insurance companies continue to sell an increasing amount of forgery insurance to corporation and business men?

Say Law Not Practical

The answer given by the insurance companies themselves is that while they admit the theorv of the law, they do not admit its practicability. They do not believe that the banks are in reality liable.

One instance is cited where custom or procedure may release the bank from liability. At the end of the month it is the custom for most banks to send their customers the slip which is to be returned by the customer after he has checked up all his cheques and vouchers for the month. This slip when signed by the customer releases the bank from its obligations and shifts to the customer responsibility for any forgery or alteration that may subsequently be discovered. However, a week or ten days usually elapses before this slip is returned to the bank, and if the company is in the habit of keeping records, any forgery or alteration would probably be discovered. Here again legal opinion seems to throw the burden of responsibility upon the bank. The "C.E.D." Legal Digest in commenting upon this point says that "The weight of an acknowledgment by a customer of the receipt of cheque and voucher will depend upon fact and circumstances, and that in order to shift the liability from the bank to the customer, the latter has to have a written agreement with the bank that he will sign for his vouchers and cheques at the end of a stated period."

Protection Against Litigation

Perhaps the best explanation of the spread and popularity of forgery insurance, is that its real value is as a protection against litigation rather than against forgery. Even if the bank is liable it may dispute the liability and litigation may ensue. To avoid this, a business man or corporation may be willing to pay an annual premium as protection against legal proceedings. In any case it is a very debatable question whether or not most companies which buy this type of policy are fully aware of the facts of the case. Do they buy forgery insurance as the "double bond," the protection against litigation, or do they buy it because they believe the liability belongs to them rather than to the bank?

Insurance Company's Viewpoint

What do forgery insurance people say about the insurance they sell. The above notes were shown to an executive officer of a large company that writes forgery insurance. His comments were as follows:

"It is quite true that, under Section 49 of the Bills of Exchange Act, a forged or unauthorized signature is wholly inoperative and would not, in ordinary cases, justify the bank in charging the amount of such cheque to its customer.

"How is it, then, that surety companies continue to sell an increasing amount of forgery insurance to corporations and business men in view of the fact that under Canadian law such insurance would appear to provide the 'paradox' of double protection?

"There are two standard forms of bonds against forgery now being written by surety companies:

"1 **The Depositor's Forgery Bond,** which indemnifies the obligee or any bank or banks in which the obligee carries an account subject to cheques, against direct loss up to the amount of

(Continued on page 24)

The Dominion of Canada
Guarantee & Accident
Insurance Company

PERSONAL ACCIDENT INSURANCE, SICKNESS INSURANCE
FIRE INSURANCE, AUTOMOBILE FIRE THEFT LIABILITY
PLATE GLASS INSURANCE, FIDELITY GUARANTEE BONDS
STEAM BOILER AND ELECTRIC MACHINERY, PUBLIC LIABILITY
BURGLARY INSURANCE, BAGGAGE INSURANCE
ADMINISTRATORS' BONDS, LIFE INSURANCE

Dominion Gov't Deposit *$300,000.00*
Claims Paid Exceed *$6,000,000.00*

CANADA'S OLDEST AND STRONGEST CASUALTY INSURANCE COMPANY

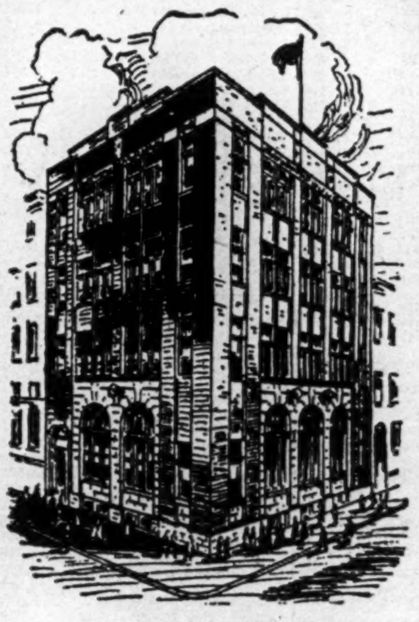
THE EMPLOYERS'
LIABILITY ASSURANCE CORPORATION
LIMITED OF LONDON, ENGLAND
Offices: Toronto—Montreal

ACCIDENT
SICKNESS
AUTOMOBILE
GUARANTEE BONDS

BOILER
LIABILITY
BURGLARY
PLATE GLASS

BONDS FOR ADMINISTRATORS, LIQUIDATORS,
SUCCESSION DUTY, TRUSTEES AND ASSIGNEES,
WORKMEN'S COMPENSATION, FIRE AND HAIL
C. W. I. WOODLAND, General Manager
For Canada and Newfoundland
Branches: Winnipeg, Calgary, Vancouver, London, Ottawa.

INSURANCE SERVICE—3 years older
than the Dominion of Canada



451 St. John Street

Established in 1864, the firm of Robert Hampson & Son has rendered valuable insurance service for 63 years.

An evidence of this service is the consistent growth of our business which necessitated the erection of a new office building—occupied in February of this year.

Robert Hampson & Son
LIMITED
Insurance Agents and Brokers
——MONTREAL——

The Casualty Company of Canada
HEAD OFFICE TORONTO
Automobile, Plate Glass, Accident, Sickness Guarantee, Burglary and Fire Insurance
We invite agency correspondence.
COL. A. E. GOODERHAM
President
A. W. EASTMURE
Managing Director

"Here's How I'm Fixed"--

"If I live to old age I'll be able to enjoy a well-earned rest.

"If I should die earlier my good wife will have an income for life.

"If accident or disease lays me aside permanently before I'm sixty or even for a period of three months or more, I get a monthly cheque until I get better.

"If, later on, I urgently need cash, The London Life will lend me money.

"If my circumstances change I can adjust my policy to suit, without even medical examination.

"How's that for real life insurance protection?

"The cost? Why, it actually works out at less than 2%, because the premium is only $202.00 a year for $10,000 protection and the annual dividends reduce this considerably.

"*It certainly is different* and I'm glad I've got it!"

. . . .

When interested in life insurance ask the London Life representative for a Jubilee Policy. It is the kind described above and he is the only man who can give it to you.

London Life
Insurance Company
"Canada's *Industrial-Ordinary* Company"
HEAD OFFICES - LONDON, CANADA
Policies "Good as Gold"

FIFTY-SECOND
ANNUAL STATEMENT
INDEPENDENT ORDER OF FORESTERS

Policy Reserves	$37,313,464.00
Additional Reserves	1,007,342.86
Surplus	950,279.86

ASSETS AND LIABILITIES, DECEMBER 31st, 1926

ASSETS		
Real Estate (Appraised Value)	$ 1,568,000.00	
Loans on Mortgages (Real Estate)	4,606,259.90	
Loans Secured by Collateral	2,716,054.56	
Bonds at Market Value	18,800,616.39	
Stocks	292,443.66	
Accrued Interest, etc.	509,921.41	
Cash in Bank	573,761.93	$29,067,057.85
Policy Loans		10,772,336.00
		$39,839,393.85

LIABILITIES		
Claims Not Completed	$ 291,627.30	
Accounts Payable, etc.	14,180.35	
Premiums Paid in Advance	26,001.41	
Net Sickness Fund	150,889.02	
Benevolent, Fund, etc.	85,609.05	$ 568,307.13
Insurance Reserve		37,313,464.00
Special Reserve		106,959.66
Health and Accident Reserve		383.20
Fluctuation Reserve		900,000.00
Surplus		950,279.86
		$39,839,393.85

Increase in Invested Assets............ $3,562,972.33

INCOME
$9,308,551.48

Premiums	$3,332,388.32
Reinsurance	4,082,271.62
Interest	1,868,079.02
Sundry	25,812.52

PAID TO MEMBERS AND THEIR BENEFICIARIES
$3,585,139.78

For Death Claims	$2,128,026.39	For Expectancy of Life	$ 33,926.92
For Old Age	1,067,507.87	For Sickness and Funeral	178,879.49
For Disability Claims	96,171.95	Surrender Values	30,580.26

Grants from Surplus $50,046.90

ORPHANS' HOME GRANTS AND SANATORIA
$87,014.70

Orphans' Grants and Donations	$ 7,682.89
Sanatoria and Orphans' Home	79,331.81

Total Payments to Members and Their Beneficiaries Since Organization
$90,994,143.47

Insurance in Force
$149,714,086.00

W. H. Hunter,
Supreme Chief Ranger.

Alex. Stewart,
Supreme Treasurer.

Automobile

(Abstract of 1926 Experience of Dominion Companies.)

Company	Net premiums written	Net losses incurred
Ætna	$ 13,838	$ 5,924
Agricultural	59	1
Alliance Assurance	45,871	19,967
Alliance Insurance	62,545	30,988
American Alliance	67	4
American Automobile	77,347	42,377
American Central	2,892	1,185
American Insurance	11,180	6,244
Autocar	41,459	24,032
Boston	—177	4,013
British American	329,103	170,165
British Colonial	32,507	15,912
British Crown	59,963	30,411
British General	40,249	23,120
British Law	1,925	4
British Oak	—107	2,728
British Traders	453,966	318,751
Canada Accident	79,403	48,164
Canada Security	21,567	13,465
Canadian Fire	73,318	38,746
Canadian General	16,100	7,250
Canadian Indemnity	16,548	2,734
Canadian Surety	32,499	11,035
Car and General	18,435	9,104
Casualty Co. of Can.	107,558	65,110
Central	9,545	5,277
Central Manufacturers	14,321	1,967
Century	3,575	440
Columbia	7,159	3,808
Commercial Union Assur.	16,919	7,431
Continental Casualty	51,543	31,246
Continental Insur.	2,463	659
Cornhill	23,753	10,046
Dominion Fire	None	3,971
Dominion Gresham	160,384	101,516
Dominion of Canada Guarantee & Accident	305,792	119,902
Eagle Star	18,695	6,989
Employers' Liability	245,267	130,483
Equitable Fire	2,858	704
Fidelity and Casualty	None	131
Fidelity Insurance	46,969	19,610
Fidelity-Phenix	2,618	507
Fire Association of Philadelphia	22,781	10,647
Fireman's Fund	2,552	560
Gen. Acc. of Canada	330,691	195,202
Gen. Acc., Fire and Life	14,925	15,071
Gen. Cas. Co. of Paris	127	7
General Exchange	162,790	55,508
Glens Falls	5,516	1,086
Globe and Rutgers	70,997	44,067
Globe Indemnity	371,939	217,261
Great American	6,974	4,401
Guard. Ins. Co. of Can.	110,962	62,639
Halifax	5,929	5,910
Hartford Accident	49,900	41,120
Hartford Fire	37,848	10,783
Home	112,520	60,239
Imperial Insurance	12,968	4,371
Indemnity Insurance	130,098	73,024
Ins. Co. of North Amer.	269,779	140,352
Law, Union and Rock	41,016	20,599
Liverpool and London and Globe	36,162	21,222
Liverpool-Manitoba	34,812	13,291
Lon. & Lancashire Ins.	28,395	11,751
London and Lancashire Guar. and Accident	150,500	100,817
Lon. and Prov. Marine	26,651	22,122
London and Scottish	11,303	3,857
London Assurance	19,930	4,495
London Guar. and Acc.	171,003	71,832
London-Canada	23,112	13,394
Lumbermen's Mut. Cas.	53,427	25,611
Lumbermen's Mutual Insurance of Mansfield	25	None
Marine Insurance	11,642	3,884
Maryland Casualty	8,514	14,068
Merchants Casualty	354,996	204,702
Merchants & Employers	43,597	33,828
Merchants Marine	12,400	5,726
Motor Union	68,864	23,718
Mount Royal	147,554	73,057
National-Ben Franklin	6	None
National Union	—34	None
Newark	6,902	9,802
New Jersey	27,495	20,280
New York Casualty	5,662	2,535
New York Underwriters	732	94
Niagara	2,036	607
North Amer. Accident	46,757	26,042
North British	18,584	5,711
North Assurance	106,373	45,280
Northwestern Mutual	35,851	9,925
Northwestern National	3,356	359
Norwich Union	155,236	65,239
Occidental	17,853	10,585
Ocean Acc. and Guar.	256,794	134,630
Pacific Coast	22,019	10,663
Palatine	19,121	6,178
Phoenix Assurance	40,134	15,424
Phoenix Ins. of Hartford	37,971	9,349
Preferred Accident	54,918	22,720
Providence Washington	—27	—1,937
Provincial	65,742	45,524
Queen of America	41,181	14,163
Queensland	19,292	15,411
Railway Passengers	107,378	41,086
Royal Exchange	52,402	30,191
Royal Insurance	164,083	76,220
St. Paul and Marine	76,962	50,827
Scottish Metropolitan	23,458	15,868
Scottish Union and Nat'l	10,979	11,798
Springfield Fire & Mar.	1,758	1,008
Sterling	—2,514	84
Sun	85,844	47,745
Travelers Indemnity	178,921	130,525
Union Assurance	33,427	17,231
Union of Canton	221,502	126,955
Union Marine	2,174	1,149
United British	19,630	12,122
U. S. Fidelity & Guar.	103,362	69,281
United States Fire	20,552	12,996
Western Assurance	332,103	172,007
World Fire and Marine	476	769
World Marine and Gen.	17,414	4,937
Yorkshire	66,571	43,715
Zurich	148,656	91,492
Totals	$8,061,992	$4,372,793

Loss Ratio—54.1%.

Insurance

FIRE, HAIL and CASUALTY INSURANCE
Of every description effected with leading Insurance Offices.
Our Advisory Service is at your disposal.

OSLER, HAMMOND & NANTON LIMITED
WINNIPEG

JE TE PROTEGE

The Fire Insurance Co.
— of Canada —

Capital Subscribed ...... $ 500,000.00
Capital Paid Up 225,000.00
Guarantee to Assured.... 1,223,118.94

Head Office
MONTREAL

Hon. Senator R. Dandurand, *President.*
J. A. Blondeau, *Secretary.*

FIRE, HAIL, ACCIDENT, SICKNESS, BONDS, AUTOMOBILE, BURGLARY, PLATE GLASS, EMPLOYERS and PUBLIC LIABILITY, SPRINKLER LEAKAGE, EXPLOSION, TORNADO.

ALLIANCE
ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
Established 1824

ASSETS EXCEED $125,000,000
Application for Agencies Invited

HEAD OFFICE FOR CANADA
MONTREAL, QUE.
E. E. KENYON, *Manager*

ECONOMICAL MUTUAL FIRE INSURANCE CO.
ESTABLISHED 1871
KITCHENER, ONT.

For 55 years this well managed company has steadily earned the confidence of its members for its conservative, progressive development. Its securities consist of first mortgages, debentures and bonds.

Total Insurance now carried, under 26,176 policies, $45,161,620.00
Government deposit, $100,000.00

ASSETS
Debentures ....$ 702,254.10
Mortgages 458,765.75
Real Estate 60,000.00
Agents' Balances .. 16,172.15
Bank, Current 16,372.85
Bank, Savings 7,070.30
Cash, Head Office. 5,716.15
$1,266,351.30
Accrued Interest .. 20,416.34
Net Prem. Notes.. 252,028.83
Total Assets $1,538,796.47

OFFICERS
Geo. C. H. Lang, President.
L. J. Breithaupt, Vice-President.
W. H. Schmalz, Managing Director.
F. W. Snyder, Assistant-Secretary.
A. H. Devitt, Inspector.

Board of Directors
George C. H. Lang
H. L. Janzen
W. H. Schmalz
Henry Knell
Louis J. Breithaupt
George Pattinson
Hartman Krug
Carl Kranz
Hon. W. D. Euler, M.P.

Accident

(Abstract of 1926 Experience of Dominion Companies.)

Personal Accident

Company	Net premiums written	Net losses incurred
Alliance Assurance	$ 22,681	$ 10,803
Autocar	5,414	651
British America	111,202	61,897
Canada Accilent	60,854	28,481
Canadian Surety	88	None
Car and General	10,464	12,754
Casualty Co. of Can.	4,864	1,334
Comm. Union Assur.	2,958	1,157
Continental Casualty	310,715	133,849
Dominion Gresham	30,575	22,361
Dom. of Can. G. & Acc.	364,518	142,766
Employers' Liability	87,383	26,923
Fidelity and Casualty	None	9,090
Fidelity Insurance	4,433	4,757
Gen. Acc. Fire & Life	1,687	732
Gen. Acc. of Canada	46,224	16,222
Globe Indem. Co. of Can.	155,350	65,265
Guardian Ins. of Can.	20,270	8,614
Hartford Accident	16,498	5,835
Imperial Insurance	826	None
Indemnity Ins. Co.	18,250	3,552
Law, Union and Rock	12,821	6,342
Liverp. and Lon. and Gl.	20,121	9,658
Lon. & Lanc. Guar.	74,022	38,461
London & Prov.	3,305	1,031
London & Scottish	2,091	559
Lon. Guar. and Acc.	92,268	39,597
Maryland Casualty	24,316	6,053
Merchants & Empl.	2,809	270
Metropolitan Life	62,174	27,845
Motor Union	4,721	1,557
N. Amer. Accident	30,797	21,550
North British	4,359	1,925
Northern Assurance	28,179	8,750
Norwich Union Fire	58,629	25,110
Ocean Acc. and Guar.	195,650	110,856
Preferred Accident	14,296	4,975
Railway Passengers	43,641	18,957
Royal Exchange	16,964	15,055
Royal Insurance	100,516	20,573
Scottish Metropolitan	20,649	11,858
Sun Insur. Office	10,829	195
Travelers Insurance	572,207	239,440
Union Assurance	8,662	6,667
Union of Canton	77,199	37,754
U. S. Fidelity and Guar.	40,995	14,579
World Marine	8,153	1,843
Western	111,202	61,897
Yorkshire	36,280	11,567
Zurich	5,649	1,636
Totals for 1926	2,958,758	1,303,603

Loss Ratio—44.1 per cent.

Other Accident Insurance

Company	Net premiums written	Net losses incurred
Alliance Assurance	$ 10,285	$ 805
Autocar	13,265	3,475
Canada Accident	10,029	1,082
Car and General	1,834	471
Comm. Union Assur.	765	133
Continental Casualty	1,491	242
Dominion Gresham	44,089	6,671
Dom. of Can. G. and A.	8,844	1,239
Employers' Liability	99,944	32,471
Fidelity Insurance	13,399	3,468
General Acc. of Canada	64,141	19,977
Gen. Acc., Fire and Life	2,878	None
Globe Indemnity	167,122	94,775
Gurdian Ins. Co. of Can.	8,185	1,923
Hartford Accident	14,911	3,397
Imperial Insurance	96	198
Law, Union and Rock	15,124	—1,174
Liv'p'l & Lon. & Globe	17,368	14,077
Lon. and Lanc. Guar.	18,837	3,891
London and Prov.	979	108
London & Scottish	1,051	1,500
Lon. Guar. and Acc.	33,022	3,119
Lumbermen's Mu. Cas.	229	None
Maryland Casualty	7,073	798
Merchants and Empl.	6,469	3,507
Motor Union	2,164	693
New York Casualty	4,159	317
N. A. Accident	12,357	5,908
Northern Assur.	24,227	6,960
Norwich Union Fire	16,866	1,032
Ocean Acc. and Guar.	28,635	4,901
Queensland	963	233
Railway Passenger	14,312	1,601
Royal Exchange	6,829	2,546
Royal Insurance	31,736	7,216
Scottish Metropolitan	1,762	342
Sun Insur. Office	1,244	355
Travelers Insurance	52,454	20,751
Union Assurance	7,498	1,739
Union of Canton	57,257	24,005
United States Fidelity	18,606	8,177
Western	3.499	445
World Marine	11,033	4,236
Yorkshire	5,954	1,383
Zurich	20,620	15,245
Totals	$883,605	$304,238

Loss Ratio—34.4 per cent.

Combined Accident and Sickness

Company		Net premiums written	Net losses incurred
Employers' Liab.		$ 51,159	$ 67,581
Gen. Acc. of Canada		97,996	49,205
Lon. Guar. and Acc.		27,501	11,140
Loyal Protective	(a)	292,924	151,539
Merchants Casualty	(b)	398,489	161,296
Merchants and Empl.	(c)	58,218	28,867
Metropolitan Life		117,925	105,704
Monarch Accident	(d)	8,258	1,363
N. Am. Accident		55,038	17,794
Protective Assoc.		368,329	233,450
Prudential Insur.		104	75
Ridgely Protective	(e)	65,997	39,138
Western Casualty	(f)	37,667	17,632
Totals		$1,579,965	$884,784

(a) Including $25,285 policy fees. (b) Including $16,615 policy fees. (c) Including $8,270 policy fees. (d) Including $3,451 policy fees. (e) Including $1,650 policy fees. (f) Including $6,225 policy fees.

Loss Ratio—56.0 per cent.

Earthquake

(Abstract of 1926 Experience of Dominion Companies.)

Company	Net premiums written	Net losses incurred
Ætna Insurance	$1,270	None
Employers' Liability	97	None
Globe and Rutgers	1,067	None
Great American	53	None
Hartford Fire	228	None
Home Insurance	497	None
Ins. Co. of N. Amer.	1,870	None
Niagara Fire	177	None
Scottish Union	None	None
World Fire and Marine	20	None
Totals	$5.279	None

Loss Ratio—None.

Sickness

(Abstract of 1926 Experience of Dominion Companies).

Company	Net premiums written	Net losses incurred
Alliance Assurance	$ 28,624	$ 12,491
Autocar	475	345
British America	56,560	30,150
Canada Accident	29,117	17,630
Casualty Co. of Can.	3,652	938
Car and General	589	1,802
Comm. Union Assur.	2,086	1,209
Continental Casualty	296,381	175,262
Dominion Gresham	28,224	21,397
Dom. of Can. G. and A.	217,593	103,890
Employers' Liability	64,699	446
Fidelity and Casualty	None	31,450
Fidelity Insurance	3,409	2,728
Gen. Acc. Co. of Canada	27,437	13,116
Gen. Acc., Fire and Life	73	None
Globe Indemnity	111,527	58,652
Guard. Ins. Co. of Can.	5,443	1,962
Hartford Acc.	8,025	3,256
Imperial Insurance	261	107
Indemnity Insurance	8,553	5,010
Law, Union and Rock	5,235	3,167
Liverp'l & Lon. & Globe	12,884	8,556
London and Lanc. Guar.	46,403	24,041
Lon. and Prov. Marine	3,087	2,139
London and Scottish	847	210
Lon. Guar. and Acc.	33,670	18,794
Maryland Casualty	30,036	11,466
Merch. and Empl.	1,508	267
Metropolitan Life	27,862	22,458
N. Amer. Acc.	25,544	11,527
North British	1,361	477
Northern Assurance	17,729	10,709
Norwich Union	38,376	18,102
Ocean Acc. and Guar.	58,701	32,764
Preferred Accident	3,792	991
Railway Passengers	27,378	14,037
Royal Exchange	1,683	3,753
Royal Guardians	3,921	2,653
Royal Insurance	44,271	22,922
Scottish Metropolitan	17,171	7,396
Sun Insur. Office	4,784	1,750
Travelers Insurance	143,261	87,985
Union Assurance	12,993	4,445
Union of Canton	80,266	50,726
United States Fidelity	34,894	10,446
Western Assurance	56,560	30,150
World Marine and Gen.	3,922	2,271
Yorkshire	23,289	14,647
Zurich	294	None
Totals	$1,654,450	$900,690

Loss Ratio—54.5 per cent.

Burglary Insurance

(Abstract of 1926 Experience of Dominion Companies.)

Company	Net premiums written	Net losses incurred
Alliance Assurance	$ 28,557	$ 9,787
American Surety	6,026	60
British America	5,366	1,449
Canada Accident	18,960	6,356
Canadian Indemnity	4,423	75
Canadian Surety	23,924	3,721
Casualty Co. of Can.	23,676	6,371
Comm. Union Assur.	1,107	91
Dominion Gresham	51,328	19,325
Dom. of Can. G. and A.	23,851	5,019
Employers' Liability	52,431	7,774
Fidelity and Cas.	None	1,710
Fidelity Insurance	7,864	2,278
Gen. Acc. Co. of Can.	36,881	11,001
Gen. Acc., Fire and Life	1,167	306
Gen. Cas. Co. of Paris	50	608
Globe Indemnity	15,047	3,941
Grain Insurance	16,634	6,445
Guard. Ins. Co. of Can.	16,447	2,679
Hartford Accident	15,109	1,918
Indemnity Ins. Co. of Am.	26,224	7,956
Law, Union and Rock	10,204	2,109
Liverp'l & Lon. & Gl.	3,286	365
Lon. & Lanc. Guar. & A.	6,443	312
London & Prov.	1,103	340
London & Scottish	1,365	247
Lon. Guar. & Acc.	11,533	1,990
Maryland Casualty	56,996	21,393
National Surety	11,071	3,258
New York Casualty	2,771	1,032
North Am. Accident	2,211	451
North British	12,471	2,842
North Assurance	52,365	16,664
Norwich Union	13,887	6,567
Ocean Acc. and Guar.	29,449	3,987
Queensland	493	17
Railway Passengers	4,328	680
Royal Exchange	1,533	None
Royal Insurance	85,653	31,051
Travelers Indemnity	103,561	29,684
Union Assurance	5,514	3,820
U. S. Fidelity and Guar.	98,732	26,970
Western Assurance	5,368	1,449
World Marine	21,377	4,568
Yorkshire	11,411	1,231
Zurich	17,033	14,829
Totals	$ 999.230	$ 274,726

Loss Ratio—27.5 per cent.

Tornado

(Abstract of 1926 Experience of Dominion Companies.)

Company	Net premiums written	Net losses incurred
Acadia	$ 166	None
Ætna	3,916	$1,391
Alliance of Philadelphia	—3	None
American Alliance	—	None
American Central	4,216	775
American Reserve	287	107
Boston	15	None
British America	1,107	25
British and European	3	None
British General	2	None
British Northwestern	95	None
Canada Security	190	None
Columbia	29	None
Continental	8,907	600
Employers Liability	1,186	None
Fidelity-Phenix	9,225	638
Firemen's	445	12
Fire Reassurance	272	—17
First American	20	None
Gen. Acc., Fire and Life	17	None
Glens Falls	9,783	1,247
Globe and Rutgers	422	3
Great American	4,006	722
Guard. Ins. of Canada	270	23
Hartford Fire	57,798	9,408
Home	56,368	24,877
Imperial Assurance	77	None
Imperial Insurance	1	None
Individual Underwriters	98	None
Ins. Co. of N. Amer.	955	None
Ins. Co. of Penn.	817	755
London-Canada	1	None
Lumb'n's Mu. of Man'f'd	74	None
Maryland Insurance	9	18
Merchants Marine	520	None
Mill Owners	164	None
Nat. Fire of Hartford	1,158	96
National Union	8,759	2,410
New Hampshire	4	None
New York Reciprocal	56	None
Niagara	833	187
North Br. & Mercantile	1,040	None
North River	221	None
Northwestern National	1,485	113
Norwich Union Fire	730	None
Occidental	319	None
Phoenix of London	613	None
Providence Wash.	53	None
Queen	2	None
Queensland	3	None
Rossia Insurance	563	—4
Rossia Reinsurance	7	None
Royal Insurance	19	None
St. Paul Fire & Marine	11,503	2,809
Scottish Union	1,624	306
Sea Insurance	2	None
Security	489	None
Springfield	4,896	361
Stuyvesant	165	None
Sun Insur. Office	67	None
United Mutual	20	None
United States Fire	1,198	32
Western	1,155	24
World Fire & Marine	237	100
Totals	$199,678	$47,018

Loss Ratio—71.1 per cent.

Inland Transportation

(Abstract of 1926 Experience of Dominion Companies.)

Company	Net premiums written	Net losses incurred
Ætna Insurance	$ 6,796	$ 523
Alliance Insurance	1,852	302
Amer. & Foreign	7,389	363
Automobile	29,025	6,755
British America	7,968	—534
Br. and For. Marine	1,455	14
British Oak	9,683	4,194
Canadian Indemnity	519	None
Columbia	11,277	232
Continental Insurance	3,355	293
Dom. of Can. G. & A.	3,057	468
T. Eaton General	5,860	55
Fidelity-Phenix	688	14
Fire Assoc. of Phila.	63,860	None
Fireman's Fund	4,026	1,047
First American	120	None
Gen. Acc., Fire and Life	3,311	168
Glens Falls	1,726	435
Globe and Rutgers	7,390	1,289
Great American	70	None
Guard. Ins. of Can.	680	212
Hartford Fire	61,803	44,926
Home	15,421	1,732
Ins. Co. of N. Amer.	46,220	15,297
Liverp'l & Lon. & Gl.	335	168
London Assur.	18,725	—2,093
Marine	75,403	16,843
New Hampshire	None	None
Niagara Fire	32	None
North British	3,100	97
Northern Assurance	3,058	577
Norwich Union Fire	769	540
Ocean Marine	None	None
Providence Wash.	524	186
Queen of America	4,815	70
Railway Passengers	529	—99
St. Paul Fire and Marine	91,445	19,622
Scottish Metropolitan	12,057	1,937
Standard Marine	3,966	1,081
Tokio	8,144	—530
Union Assurance	2,361	None
Union of Canton	18,943	4,911
Union Marine	8	None
U. S. Merc. and Shprs.	18,348	1,732
Western Assurance	15,937	—1,125
World Fire and Marine	1,109	23
World Marine & Gen.	2,652	406
Yorkshire	1,549	770
Totals	$577,360	$122,919

Loss Ratio—21.1 per cent.

Forgery Insurance

Company	Net premiums written	Net losses incurred
Canadian Surety	$ 579	$ 47
Employers' Liability	4,477	10,570
General Indemnity	None	None
Globe Indemnity	174	None
Grain Ins. and Guar.	2,328	None
Maryland Casualty	190	None
Metropolitan Casualty	129	None
National Surety	22,540	8,222
Royal Insurance	—1,713	—5,084
U. S. Fidelity & Guar	5,787	424
Totals	$34,491	$14,179

Loss Ratio—41.7 per cent.

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Fire Insurance

(Abstract of 1926 Experience of Companies Operating Under Dominion License.)

RECAPITULATION

	Net premiums written	Gross premiums written	Gross amount of policies, new and renewed	Net amount at risk at date	Net amount of losses incurred	Loss Ratio*
Canadian Companies ...	$ 7,426,325	$16,343,397	$1,630,217,196	$1,216,415,100	$ 3,359,443	45.25
British Companies	25,219,392	38,868,773	3,832,612,471	4,035,756,557	11,884,838	47.15
Foreign Companies	19,927,284	29,587,727	3,192,069,573	2,793,265,439	10,472,962	52.62
Totals for 1926	$52,573,001	$79,799,897	$8,654,899,240	$8,045,437,096	$25,717,243	49.60
Totals for 1925	$51,040,075	$75,017,922	$7,646,026,535	$7,583,297,679	$26,943,089	52.82

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*Ratio of loss incurred to premiums written.

Canadian Companies

Companies	Net premiums written $	Gross premiums written $	Gross amount of policies new and renewed $	Net amount at risk at date $	Net amount of losses incurred $
Acadia	181,435	527,311	47,856,720	27,263,247	97,065
Antigonish	3,406	3,406	322,350	767,525	919
Beaver	34,320	120,237	9,517,525	4,991,647	10,830
British America	753,659	1,381,668	133,819,073	117,980,225	317,123
British Colonial	107,870	662,986	49,062,848	11,862,819	42,924
British Northwestern	188,823	341,181	42,960,938	30,733,092	76,496
Canada Accident and Fire	230,131	455,460	47,867,606	29,540,043	91,724
Canada National	143,409	261,291	18,501,934	21,302,138	54,803
Canada Security	155,834	321,095	29,034,001	19,694,645	60,867
Canadian Fire	390,979	728,976	64,564,351	59,782,603	140,107
Canadian Indemnity	149,685	240,787	18,742,486	17,196,711	56,548
Canadian Lumbermen's	4,483	26,677	1,230,450	202,850	219
Casualty Co. of Canada	20,708	35,884	3,874,404	4,312,946	6,060
Cumberland Farmers	2,635	2,635	261,210	724,455	1,319
Dominion Fire	231,971	413,050	38,606,908	44,975,969	91,188
Dominion Gresham	57,861	180,609	20,036,349	8,759,453	35,992
Dom. of Can. Guar. and Accident	174,144	301,437	34,185,717	48,237,680	37,900
Ensign Fire	38,283	78,576	7,469,126	6,645,510	19,594
Fire Insurance Co. of Canada	334,056	709,783	68,292,974	50,341,643	173,271
General Accident of Canada	92,208	179,657	16,966,835	17,063,633	30,679
Globe Indemnity	127,420	708,857	95,591,999	21,298,682	51,562
Grain Insurance	257,449	286,947	32,040,282	18,000,226	200,722
Guardian Insurance Co. of Canada	86,449	297,184	33,658,757	8,259,531	54,154
Halifax Fire	52,284	294,799	22,038,529	6,954,477	46,968
Hudson Bay	167,677	315,858	30,505,696	25,069,269	76,820
Imperial Insurance	153,936	320,813	37,412,709	26,703,014	66,490
Kings Mutual	33,325	34,597	2,736,652	8,134,606	32,450
Laurentian	221,008	301,036	22,186,398	19,470,809	123,427
Liverpool-Manitoba	278,602	1,111,073	124,229,369	104,637,202	117,196
London and Lanc. Guar. and Acc.	10,771	32,440	2,217,836	1,222,248	1,370
London-Canada	137,433	357,439	34,347,775	33,928,452	76,000
Mercantile	138,384	286,027	46,166,617	26,850,091	33,439
Mount Royal	667,761	1,269,810	109,690,127	105,871,392	353,916
North Empire	185,733	335,615	33,181,203	26,919,319	131,204
North West	123,188	191,999	19,123,717	19,177,571	48,868
Occidental	230,671	487,557	42,278,510	33,656,346	101,802
Pacific Coast	166,340	406,393	58,711,153	27,478,178	70,609
Pictou County Farmers	6,084	6,122	807,750	2,254,783	4,029
Quebec	186,329	422,475	47,922,355	36,405,829	53,372
Reliance	62,953	155,839	16,238,090	11,068,318	13,092
Scottish Canadian	86,751	203,858	16,354,913	12,695,698	37,846
Western	749,877	1,543,953	149,602,900	117,980,225	318,479
Totals for 1926	7,426,325	16,343,397	1,630,217,196	1,216,415,100	3,359,443
Totals for 1925	6,705,058	14,475,752	1,232,819,566	1,091,706,033	3,220,712

Foreign Companies

Companies	Net premiums written $	Gross premiums written $	Gross amount of policies new and renewed $	Net amount at risk at date $	Net amount of losses incurred $
Ætna	596,764	684,795	92,073,697	97,662,405	281,167
Affiliated Underwriters	101,366	118,145	22,160,517	19,668,267	135,395
Agricultural	76,182	119,812	21,304,692	15,647,873	42,215
Alliance Insurance	122,197	161,891	30,687,464	29,460,597	99,763
American Alliance	12,522	39,464	4,076,495	2,458,745	5,610
American Central	232,671	417,427	37,441,778	24,691,129	188,049
American Equitable	97,946	115,954	11,068,897	11,111,749	45,429
American Exchange	24,213	25,428	7,585,000	6,955,000	146
American Insurance	93,509	159,958	19,763,695	13,509,356	58,316
American Lloyds	48,343	54,941	7,087,967	7,005,474	13,852
American Reserve	139,493	304,816	27,396,257	14,844,543	82,227
Baloise	74,612	115,547	10,907,517	9,852,412	45,108
Boston	99,646	157,829	18,599,015	11,937,558	70,470
Caledonian-American	55,115	108,437	10,796,050	10,161,195	15,512
California	157,420	200,647	21,276,985	18,938,783	102,958
Central Manufacturers Mutual	37,397	45,497	2,622,137	2,107,077	12,902
Citizens of Missouri	75,992	120,543	13,584,899	7,586,698	26,997
Columbia	90,728	182,967	17,841,970	12,863,280	50,643
Commercial Union of New York	17,131	26,218	1,827,545	1,694,624	12,799
Connecticut	232,367	464,412	48,433,113	37,367,513	107.690
Continental	400,967	577,810	63,494,423	64,203,682	193,926
Equitable Fire and Marine	40,473	199,020	21,896,239	7,480,337	21,538
Fidelity-Phenix	368,609	507,541	55,226,865	57,879,031	150,607
Fire Association of Philadelphia	377,855	576,333	52,564,456	40,161,696	148,893
Fire Reassurance	151,587	336,437	33,238,328	17,180,721	97,920
First American	14,829	22,624	1,972,797	1,274,662	17
La Fonciere	62,396	68,569	8,695,799	6,184,978	7,570
Fireman's Fund	191,889	239,935	28,538,886	26,658,512	125,365
Fireman's Insurance	153,488	185,053	17,419,317	19,683,385	51,998
Franklin	None	145,318	11,252,618	None	None
General of Paris	126,178	197,939	22,740,315	19,195,710	54,589
Girard	24,702	32,025	3,196,125	3,895,231	5,572
Glens Falls	200,683	302,466	37,988,353	29,379,899	105,133
Globe and Rutgers	739,385	1,088,533	130,811,439	102,015,543	469,782
Grain Dealers	15,103	19,830	1,387,641	826,750	5,362
Great American	442,711	635,522	69,723,663	62,746,252	265,316
Hardware Dealers	251,581	292,889	13,563,020	12,317,325	64,697
Hartford Fire	1,349,917	1,965,881	214,917,185	243,905,405	658,921
Home	1,727,333	2,244,248	235,046,933	243,090,922	898,402
Imperial Assurance	94,414	182,031	17,292,094	13,506,032	41,322
Individual Underwriters	95,392	107,792	37,561,727	32,798,482	40,101
Insurance Company of N. Amer.	767,328	1,079,573	164,600,860	144,787,209	537,420
Insurance Co. of State of Penn.	135,069	219,960	31,021,610	19,697,337	56,774
Lumbermen's Insurance Co.	9,093	9,518	1,196,135	1,167,881	78
Lumbermen's Mutual Insurance Company of Mans., O.	54,311	67,325	3,566,740	2,962,705	15,204
Lumbermen's Underwrit. Alliance	261,257	364,457	20,512,247	14,617,438	172,594
Lumber Underwriters	67,367	93,735	5,141,071	2,699,238	38,269
Manufacturing Lumbermen's	192,897	249,453	14,189,700	10,068,531	216,130
Maryland Insurance	32,666	55,498	4,851,723	3,018,457	12,046
Mechanics and Traders	18,831	38,345	2,043,245	1,174,038	10,524
Merchants Fire	276,449	381,221	37,416,729	37,937,192	140,059
Millers National	95,568	108,258	9,892,192	11,855,779	44,908
Mill Owners Mutual	88,022	119,165	6,669,414	4,484,410	29,505
Minnesota Implement	251,581	292,889	13,563,020	12,317,325	64,697
National-Ben Franklin	350,347	417,809	36,246,657	49,250,721	155,185
National Fire of Hartford	660,819	844,353	99,371,857	87,705,448	433,841
National Union	99,334	149,967	18,580,347	18,224,726	72,478
La Nationale	741,132	816,606	71,230,965	97,963,102	342,294
Newark	154,360	237,407	27,259,759	23,187,605	67,785
New Hampshire	216,339	304,133	30,930,355	28,711,976	123,039
New Jersey	75,420	128,143	11,529,018	8,946,366	72,173
New York Reciprocal	75,727	83,968	36,370,316	34,301,141	3,169
New York Underwriters	42,736	969,397	96,553,951	4,168,535	12,077
Niagara	363,501	537,955	64,518,998	59,775,960	206,693
North River	61,288	78,997	8,044,096	6,051,449	8,018
Northwestern Mutual	775,604	1,032,612	58,969,355	47,239,825	274,148
Northwestern National	283,430	413,632	34,438,718	43,635,512	94,244
Pacific Fire	287,328	342,562	46,511,859	46,352,079	115,739
Phenix of Paris	126,249	209,464	22,537,750	19,579,941	66,630
Phoenix of Hartford	385,066	791,434	88,853,868	61,569,926	178,457
Providence Washington	164,084	362,736	53,882,515	26,567,773	109,420
Queen of America	746,168	935,280	101,112,371	117,484,178	325,502
Retail Hardware	251,581	292,889	13,563,020	12,317,325	64,697
Rossia	359,909	608,820	62,938,167	43,593,217	267,780
Rossia of Copenhagen	90,827	165,918	29,784,785	13,427,233	40,566
St. Paul Fire and Marine	364,439	502,797	61,066,712	51,556,873	160,514
Security	112,237	195,423	19,000,315	13,383,255	77,532
Springfield	295,922	427,053	45,253,367	42,764,711	224,247
Sprinklered Risk	13,029	14,041	5,109,091	4,873,000	50,033
†Sterling	—45,697	20,414	2,458,862	None	7,245
Stuyvesant	243,706	296,846	27,739,372	28,774,685	231,104
Tokio	63,627	105,007	14,898,613	10,882,361	52,203
L'Union of Paris	296,625	369,224	36,803,651	41,589,137	159,493
United Mutual	48,352	81,672	4,242,701	2,263,770	10,948
United States Fire	367,672	654,124	81,101,628	73,230,731	306,012
Westchester	290,181	449,038	47,272,335	35,575,221	170,308
World Fire and Marine	94,397	116,085	14,165,600	11,631,184	27,401
Totals for 1926	19,927,284	29,587,727	3,192,069,572	2,793,265,439	10,472,962
Totals for 1925	20,279,358	29,362,871	3,077,437,644	2,770,090,896	11,665,223

NORWICH UNION
FIRE INSURANCE SOCIETY LIMITED
OF NORWICH, ENGLAND
Established 1797
Classes of Insuranec Written—
FIRE, USE AND OCCUPANCY, RENT, REVENUE, ACCIDENT, SICKNESS, PUBLIC AND EMPLOYERS LIABILITY, PLATE GLASS, AUTOMOBILE, BURGLARY AND GUARANTEE, TOURIST FLOATERS.
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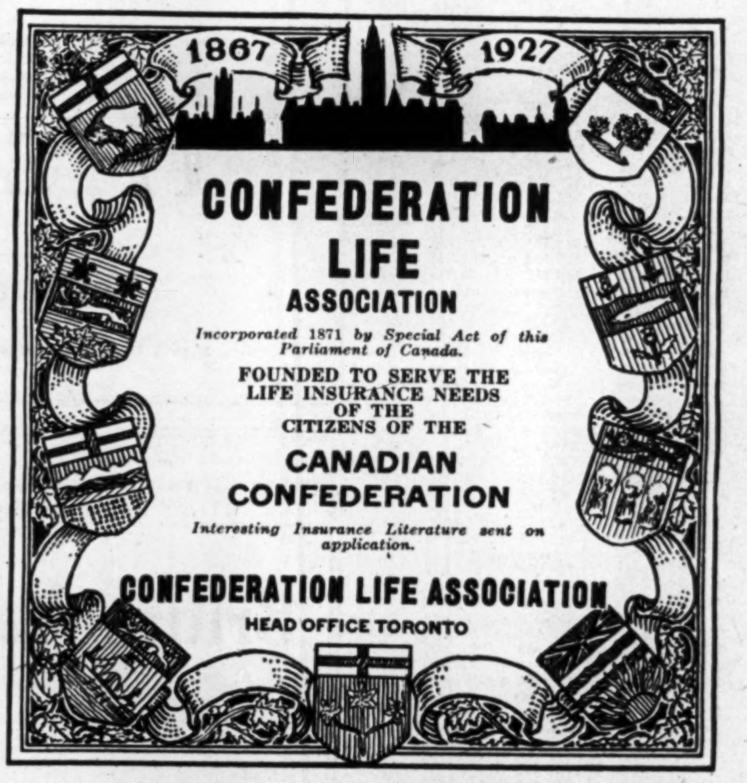
JOHN B. LAIDLAW, General Manager for Canada.
WINNIPEG BRANCH - - PARIS BLDG.

British Companies

Companies	Net premiums written $	Gross premiums written $	Gross amount of policies new and renewed $	Net amount at risk at date $	Net amount of losses incurred $
Alliance	441,319	494,332	64,940,558	80,536,571	205,492
Anglo-Scottish	210,625	385,685	63,535,490	32,723,395	85,679
Atlas	778,737	1,007,008	117,030,000	133,664,224	331,264
Autocar	105,630	131,151	13,442,690	14,959,617	63,512
Bankers and Traders	79,738	103,631	9,068,032	9,928,069	30,223
British Crown	420,673	533,341	55,790,878	61,274,559	216,179
British and European	83,022	128,132	12,332,667	12,282,987	36,231
British General	126,197	225,415	29,303,428	21,867,513	53,237
British Law	70,243	109,597	10,280,761	9,453,734	25,128
British Oak	175,070	225,728	24,159,118	22,932,200	79,278
British Traders	285,833	369,611	60,595,854	52,847,265	128,509
Caledonian	403,360	568,278	56,496,260	72,542,176	180,921
Car and General	218,882	318,502	30,199,714	25,048,362	65,597
Central	207,817	422,865	36,396,704	27,757,154	89,485
Century	261,461	503,815	75,228,601	60,606,797	121,867
China	419	514	64,050	54,050	None
Commercial Union	827,896	1,047,143	114,129,067	133,687,891	386,743
Cornhill	220,409	250,202	32,267,145	29,756,465	141,781
Eagle, Star and Br. Dominions	448,836	597,941	81,369,926	78,599,840	198,443
Employers' Liability	738,608	994,901	122,013,885	136,059,558	351,359
Essex and Suffolk	91,720	231,325	28,102,626	16,059,352	34,040
Federated British	18,690	21,185	1,766,796	1,279,446	1,211
Gen. Acc., Fire and Life	354,945	447,729	52,795,933	55,412,428	273,391
Guardian Assurance	1,461,354	1,692,611	166,071,784	201,935,937	756,805
Law, Union and Rock	387,971	458,342	48,562,922	57,787,113	157,139
Liverpool & London & Globe	1,378,913	2,636,227	287,126,067	228,948,285	587,625
Local Government	53,066	77,399	9,407,000	7,237,841	22,525
London Guar. and Accident	324,924	458,425	49,018,490	51,685,380	182,597
London and Lancashire	1,305,643	1,559,456	205,899,547	210,594,924	537,411
London and Provincial	26,515	32,117	2,976,295	3,411,657	7,280
London and Scottish	78,703	106,443	14,268,931	12,005,755	26,984
London Assurance	593,966	705,926	72,446,193	89,953,941	336,995
Merchants Marine	201,996	291,324	40,262,993	37,841,451	90,643
Motor Union	116,860	147,035	15,070,928	17,947,612	82,268
National Provincial	155,251	215,444	24,333,077	26,988,983	43,348
North British	1,138,557	1,476,715	161,956,686	186,196,351	644,033
Northern Assurance	910,252	1,164,339	126,868,525	136,433,270	444,591
Norwich Union	1,077,397	1,441,853	144,011,267	158,644,053	454,282
Ocean Acc. and Guarantee	481,510	651,935	68,054,030	69,803,381	250,860
Palatine	406,468	527,183	58,353,793	60,623,743	177,468
Patriotic	161,477	213,884	27,670,811	23,219,814	85,562
Phoenix of London	1,263,857	1,868,878	209,570,749	212,564,386	577,024
Provincial	308,293	347,548	32,731,176	40,908,852	187,241
Prudential	258,031	328,477	31,585,954	34,864,615	156,600
Queensland	225,408	321,343	29,809,197	28,052,516	90,873
Royal Exchange	697,937	908,111	104,751,641	126,189,211	274,223
Royal Insurance	1,992,209	2,478,864	276,508,791	346,422,189	924,952
Royal Scottish	198,640	270,398	35,184,300	33,280,204	65,890
Scottish Metropolitan	229,914	301,516	35,188,659	39,914,746	110,409
Scottish Union	406,391	474,498	52,033,155	72,378,178	179,798
Sea	147,352	206,270	28,412,060	19,685,155	65,962
State Assurance	39,880	66,853	6,695,981	3,493,261	5,229
Sun Insurance	878,298	1,092,252	122,032,659	134,822,839	427,924
Union Assurance	565,709	767,868	83,372,861	87,958,318	247,467
Union of Canton	441,092	501,258	61,419,948	60,310,017	219,593
United British	159,393	211,533	25,050,230	25,158,016	94,657
World Marine	117,981	149,647	27,281,592	24,040,679	28,059
Yangtsze	115,737	144,395	11,651,160	11,032,881	64,101
Yorkshire	369,317	454,375	45,662,835	64,087,350	176,850
Totals (1926)	25,219,392	33,868,773	3,832,612,471	4,035,756,557	11,884,838
Totals (1925)	24,055,659	31,179,299	3,244,769,325	3,721,500,970	12,057,154



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Interesting Insurance Literature sent on application.
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HEAD OFFICE TORONTO

TRUE STORIES ABOUT LIFE INSURANCE
By a Mutual Life Representative

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"IT is a good business with you at the head of it but what will happen to it when you are no longer there?"

He couldn't answer that question and took out a $25,000 policy in the Mutual Life of Canada and a $100 monthly income policy, both in favor of his wife. Eight months later he contracted pneumonia and died. His business no longer pays dividends, and without his directing hand, is fast dwindling away.

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J. N. Roy, District Manager,
401-4 Banque Nationale Bldg.,
71 St. Peter St., Quebec, P.Q.
S 92

Hail

(Abstract of 1926 Experience of Dominion Companies.)

Company	Net premiums written	Net losses incurred
L'Abeille	$ 84,181	$ 48,815
Acadia	32,747	20,209
Ætna Insurance	80,011	52,967
Alliance Assurance	75,617	43,721
British Crown	100,106	54,325
British Traders	18,378	11,527
Canada Security	54,847	40,928
Canadian Indemnity	315,921	205,337
Car and General	225,742	174,919
Citizens	90,595	73,876
Connecticut	138,370	98,023
Eagle, Star and Br. Dom.	52,926	32,695
Employers' Liability	211,810	164,395
Equitable Fire	16,144	11,436
Federal	90,595	73,876
Gen. Acc. of Canada	45,660	31,234
Gen. Acc. Fire and Life	186,045	94,385
Glens Falls	172,962	122,538
Great American	114,252	71,081
Hartford Fire	462,068	340,587
Home	354,048	227,985
Ins. Co. of N. Amer.	80,011	52,968
London and Scottish	93,590	44,897
London Guar. & Acc.	82,654	49,126
Merchants Fire	137,949	150,037
National Provincial	98,058	91,371
National Union	21,640	37,659
New York Underwriters	7,330	3,830
Niagara	60,736	40,079
Occidental	137,916	104,943
Phoenix Assurance	46,782	28,871
Phoenix Ins. of Hartford	191,411	135,599
Royal Exchange	136,862	109,693
St. Paul Fire & Marine	63,688	52,391
Scottish Canadian	26,310	12,798
Security Insurance	58,062	31,120
Springfield Fire	80,011	52,968
Union of Canton	78,321	42,170
Westchester	172,962	122,529
Totals	$4,500,318	$3,158,064

Loss Ratio—70.1 per cent.

Rain

Company	Net premiums written	Net losses incurred
Hartford Fire	$24,520	$11,743
Home	10,524	6,719
Totals	$35,044	$18,462

Loss Ratio—52.7 per cent.

Plate Glass

Company	Net premiums written	Net losses incurred
Alliance Assurance	$ 5,157	$ 1,349
Autocar	915	428
British America	3,807	1,079
Canada Accident	14,266	4,475
Canada Security	26	None
Canadian Fire	7,277	2,327
Canadian General	12,035	5,518
Canadian Indemnity	88	None
Canadian Surety	6,071	2,161
Casualty Co. of Can.	34,771	16,761
Century Insurance	57	None
Comm. Union Assur.	1,103	364
Continental Casualty	6,677	1,349
Dominion Gresham	13,347	5,946
Dom. of Can. G. & A.	26,232	11,007
Eagle Star	1,260	134
Employers' Liability	7,180	3,343
Fidelity and Cas.	None	477
Fidelity Insurance	2,090	1,012
Gen. Acc. of Canada	25,671	11,012
Gen. Acc. Fire and Life	3,970	1,427
Gen. Cas. Co. of Paris	66	None
Globe Indemnity	7,094	2,225
Guard. Ins. Co. of Can.	8,447	3,666
Halifax Fire	12,486	3,894
Hartford Accident	4,960	2,083
Imperial Insurance	330	119
Indemnity Insurance	8,677	2,135
Law, Union and Rock	10,186	4,231
Liverp'l & Lon. & Globe	1,593	455
Lon. and Lanc. Guar.	21,472	7,517
Lon. and Prov. Marine	—173	None
London & Scottish	958	334
Lon. Guar. and Acc.	4,548	1,787
Lumbermen's Mu. Cas.	58	17
Maryland Casualty	4,615	1,824
Merchants & Empl.	6,009	3,235
Motor Union	993	206
Mount Royal	30,359	10,423
National Provincial	13,023	5,367
New York Casualty	9,137	2,558
N. Amer. Accident	10,992	5,055
North British	1,997	559
Northern Assur.	26,366	10,044
Norwich Union	21,344	8,559
Ocean Acc. and Guar.	83,379	29,429
Railway Passengers	18,494	5,086
Royal Insurance	9,984	2,420
Scottish Metropolitan	1,452	682
Sun Insur. Office	1,902	652
Travelers Indemnity	13,240	4,215
Union Assurance	1,296	313
United States Fidelity	9,438	3,781
Western Assurance	3,807	1,079
World Marine	15,546	5,692
Yorkshire	9,978	4,709
Zurich	3,181	1,411
Totals	$549,234	$205,926

Loss Ratio—37.5 per cent.

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

ST. LAWRENCE
UNDERWRITERS' AGENCY
FIRE and AUTOMOBILE INSURANCE
HEAD OFFICE - TORONTO

Mount Royal Assurance Co.
Capital and Surplus, - $1,330,000
Total Funds, - - $2,400,000
Total Losses Paid, - $9,500,000
Applications for Agencies Invited
HEAD OFFICE - MONTREAL
P. J. PERRIN, Vice-Pres. and Gen. Mgr.

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PHOENIX ASSURANCE COMPANY, LIMITED
OF LONDON, ENGLAND
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Total Resources exceed $150,000,000
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THE ACADIA FIRE INSURANCE COMPANY
of Halifax, N.S.
Branch Office: Montreal
J. B. Paterson, Branch Manager

FORGERY INSURANCE HAS JOB TO DO AGAINST LITIGATION

(Continued from page 21)

the bond through the forgery or alteration of cheques, drafts, notes, bills of exchange, and trade acceptances. This bond carries no conditions except that the instruments shall not be written in pencil which is not indelible

"2 The **Commercial Forgery Bond,** which, in addition to the above, protects the obligee against any direct loss sustained through the acceptance in exchange for merchandise, and/or property sold, delivered and/or services rendered, of any bank draft or cheque which is forged or altered in any other respect; the company, however, is not liable for more than seventy-five per cent. of the amount of such bank draft or cheque, nor on any one such bank draft or cheque, for a sum greater than ten per cent. of the amount of the bond.

Liability is Often Questioned

"In view of the apparent paradoxical situation created by the Canadian law governing forged instruments and the forgery bonds being executed by surety companies, it might be as well to examine why men of sound business judgment and occupying high positions in the financial and business world of the Dominion continue in increasing numbers to protect the funds of their organizations against the hazard of cheque forgery, etc.

"The responsibility of a bank is seldom questioned, but the liability of a bank in the event of a loss of this description is an entirely different matter. It is obvious that many cases will arise where under the terms of the Bills of Exchange Act the customer is precluded from setting up the forgery or want of authority—for example, in cases where ratification may take place,—either by an express adoption of the signature, or by conduct unequivocally referable to an agreement to be bound by the signature, the case would be taken out of the operation of Sect. 49. (See Eccles vs. Merchants' Bank of Canada, 52. O. L. R. 138.)

Where No Prompt Notification

"Again, a person may be precluded from setting up the forgery or want of authority by estoppel, as in the case of Ewing vs. Dominion Bank, 35. S. C. R. 133—where the supreme court of Canada held that the makers of a note having failed, as soon as discovery was made, to inform the bank by telegraph or telephone that they had not made the note, were estopped from denying their signature.

"It has also been held that where a cheque payable to the order of a company is endorsed by the secretary, who has no authority under the by-laws to give a valid endorsement, the company is estopped from denying the want of authority by the fact that on previous occasions the secretary had drawn money on cheques on his sole endorsement and no notice was ever given to the bank that he was exceeding his authority. Thorold vs. Imperial Bank, 13. O. R. 330.

Many Other Good Defences

"Numerous other instances might be given of cases where the bank may have a good defence against the claim of a customer for reimbursement of the forged instrument, and there are many doubtful cases where the question of liability may be very difficult to ascertain, and the customer is likely to be faced with a lawsuit against his bank, with the consequent tying up of the money involved for a considerable period, and the other necessary incidental expenses in connection with such a suit.

"It is quite true that in many instances where the loss is trivial, and can be charged by the bank to a negligent teller, the customer's claim will be favorably treated, but, if the amount involved is considerable, and the question doubtful, the likelihood of an amicable settlement is more unlikely.

Anti-litigation Clause

"This is the reason why the so-called anti-litigation clause is inserted in the standard bonds executed by the surety companies; that is to say, the protection provided in the bond applies not only to the bondholder, but also extends to any bank or banks in which the bondholder carries an account subject to cheque.

"In most cases, however strong a customer's claim may be against his bank, he is reluctant to enforce it by taking proceedings against the bank and thus render his relations with his bank more strained than they should be between banker and customer.

"The argument also may perhaps be advanced that, if the forgery is a clever, one, it may be difficult to convince the bank or surety company that a forgery has been committed. This is very true, as there have been many cases in litigation where even handwriting experts differ as to whether the instruments involved were forgeries. This, however, is taken care of in the standard forgery bonds, as proof of claims consists of the presentation whenever possible (sometimes the forged instruments have been destroyed) of the cheque, or other instrument which is the basis of the claim, together with an affidavit by, or on, behalf of the obligee covering the facts and circumstances of the alleged loss.

"Owing to the large increase in this class of crime during the past few years, it is obvious that a prudent business man will prefer to cover this hazard by an indemnity bond which assures the recoupment of his loss without possible litigation, especially in view of the fact that the hazard is such that his bank won't guarantee reimbursement, his lawyer can't guarantee reimbursement, and what he, therefore, is absolutely unable to guarantee."

Loss Ratios in Fire and Automobile Insurance

	Automobile			Fire		
	Premiums earned $	Losses incurred $	Ratio %	Premiums earned $	Losses incurred $	Ratio %
Ætna	16,308	5,924	36.33	587,572	281,167	47.85
Agricultural	28	1	3.57	86,213	42,215	48.97
Alliance Assurance	43,926	19,967	45.46	392,662	205,492	52.33
Alliance Insurance	38,528	30,988	80.43	147,099	99,763	67.82
American Alliance	77	4	5.20	11,942	5,610	46.98
American Automobile	70,997	42,377	59,69	None	None	....
American Central	2,921	1,185	40.57	220,541	188,049	85.27
American Insurance	5,972	6,244	104.55	95,968	58,316	60.77
Autocar	35,164	24,032	68.34	98,908	63,512	64.21
Boston	3,086	4,013	130.04	100,758	70,470	69.94
British America	309,852	170,165	54.92	664,638	317,123	47.71
British Colonial	17,987	15,912	88.46	85,041	42,924	50.47
British Crown	54,721	30,411	55.57	391,440	216,179	55.23
British General	33,269	23,120	69.49	127,391	53,237	41.79
British Law	962	4	0.42	47,126	25,128	53,32
British Oak	1,401	2,728	194.72	161,439	79,278	49.11
British Traders	357,429	318,751	89.18	271,169	128,509	47.39
Canada Accident	94,623	48,164	50.90	197,932	91,724	46.34
Canada Security	23,149	13,465	58.17	113,994	60,867	45.43
Canadian Fire	66,151	38,746	58.57	371,481	140,107	37.72
Canadian General	16,114	7,250	44.90	None	None	....
Canadian Indemnity	11,880	2,734	23.05	134,153	56,548	42.15
Canadian Surety	36,051	11,035	30.61	Uone	None	....
Car and General	18,710	9,104	48.66	219,932	65,597	29.83
Casualty Company of Canada	103,553	65,110	62.88	11,679	6,060	51.89
Central	8,008	5,277	65.90	171,350	89,485	52.22
Central Manufacturers	13,719	1,967	14.34	32,769	12,902	39.37
Century	1,787	440	24.68	292,304	121,866	41.69
Columbia	13,843	3,808	27.51	102,334	50,643	49.49
Commercial Union Assurance	16,083	7,431	46.20	841,091	386,743	45.98
Continental Casualty	51,665	31,246	60.48	None	None	....
Continental Insurance	3,151	659	20.91	394,005	193,926	49.22
Cornhill	21,927	10,046	45.82	195,590	141,781	72.49
Dominion Fire	None	3,971	....	217,205	91,188	41.98
Dominion Gresham	165,371	101,516	61.39	51,350	35,992	70.09
Dom. of Can. Guar. and Acc.	290,853	119,902	41.22	141,986	37,900	26.69
Eagle Star and British Dominions	18,823	6,989	37.13	458,673	198,443	43.26
Employers' Liability	259,465	130,483	50.29	691,503	351,359	50.81
Equitable Fire	2,701	704	26.06	45,815	21,538	47.01
Fidelity and Casualty	571	131	22.94	None	None	....
Fidelity Insurance	45,853	19,610	42.77	None	None	....
Fidelity—Phoenix	3,100	507	16.35	365,480	150,607	41.21
Fire Association of Philadelphia	11,390	10,647	93.48	332,508	148,893	44.78
Fireman's Fund	3,563	560	15.72	182,489	125,318	68.67
General Accident of Canada	345,249	195,202	56.54	80,038	30,679	38.33
General Accident Fire and Life	15,941	15,071	94.54	353,104	273,391	77.43
General Casualty Co. of Paris	64	7	10.94	None	None	....
General Exchange	74,372	55,503	74.64	None	None	....
Glens Falls	5,682	1,086	19.11	202,525	105,133	51.91
Globe and Rutgers	78,855	44,067	55.88	717,413	469,782	65.48
Globe Indemnity	366,445	217,261	59.29	128,064	51,562	40.26
Great American	6,721	4,401	65.48	437,442	265,316	60.65
Guardian Insurance Co. of Can.	105,524	62,639	59.36	94,301	54,154	57.43
Halifax	4,922	5,910	120.07	53,981	46,968	87,01
Hartford Accident	52,764	41,120	77.93	None	None	....
Hartford Fire	43,700	10,783	24.68	1,512,469	658,921	43.57
Home	111,572	60,239	53.99	1,763,625	898,402	50.94
Imperial Assurance	309	None	....	87,015	41,322	47.49
Imperial Insurance	14,791	4,371	29.55	151,171	66,490	43.93
Indemnity Insurance	84,927	73,024	85.98	None	None	....
Insurance Company of N. Amer.	208,190	140,352	67.42	796,370	357,420	44.88
Law, Union and Rock	42,432	20,599	48.55	385,791	157,139	40.73
Liverpool and London and Globe	31,539	21,222	67.29	1,375,626	587,695	42.72
Liverpool-Manitoba	36,265	13,291	36.65	284.588	117,196	41.18
London and Lancashire Insurance	29,029	11,751	39.66	1,304,212	537,411	41.21
London & Lancashire Guar. & Ac.	165,240	100,817	61.01	3,368	1,370	40.66
London and Provincial Marine	30,173	22,122	73.32	17,569	7,280	41.44
London and Scottish	10,341	3,857	37.30	55,376	26,984	48.73
London Assurance	19,000	4,495	23.66	580,351	336,995	58.07
London Guarantee and Accident	188,095	71,832	38.19	329,918	182,597	55.35
London-Canada	24,222	13,394	53.30	157,576	76,000	48.23
Lumbermen's Mutual Casualty	53,600	25,611	47.78	None	None	....
Lumbermen's Mutual Insurance of Mansfield	32	None	....	39.499	15,204	38.49
Marine Insurance	12,379	3,884	31.38	None	None	....
Maryland Casualty	9,510	14,068	147.46	None	None	....
Merchants Casualty	262,477	204,702	77.99	None	None	....
Merchants and Employers	37,319	33,828	90.65	None	None	....
Merchants Marine	11,908	5,726	48.09	195,887	90,643	46.27
Motor Union	65,318	23,718	36.31	113,886	82,228	72,20
Mount Royal	105,761	73,057	69.08	678,616	353,916	52.15
National-Ben Franklin	3	None	....	337,704	155,185	45.95
National Union	519	None	....	123,519	72,478	58.68
Newark	7,621	9,802	128.62	138,551	67,785	48.92
New Jersey	24,014	20,230	84.14	89,992	72,173	80.20
New York Casualty	3,113	2,535	81.43	None	None	....
New York Underwriters	527	94	17.84	24,151	12,077	50.01
Niagara	2,365	607	25.67	335,845	206,693	61.51
North American Accident	48,601	26,042	53.58	None	None	....
North British	12,824	5,711	44.53	1,135,303	644,033	56.73
Northern Assurance	110,477	45,280	40.99	840,773	444,591	52.88
Northwestern Mutual	36,565	9,925	27.14	756,074	274,148	36.26
Northwestern National	2,472	359	14.52	265,810	94,244	35.46
Norwich Union	164,619	65,239	39.63	1,068,720	454,282	42.51
Occidental	22,837	10,585	46.35	222,406	101,802	45.77
Ocean Accident and Guarantee	262,323	134,630	51.32	432,848	250,860	57.96
Pacific Coast	20,562	10,663	51.86	190,920	70,609	36.98
Palatine	16,728	6,178	36.93	399,835	177,468	44.39
Phoenix Assurance	21,340	15,424	72.28	1,183,911	577,024	48.74
Phoenix Insurance	35,878	9,349	26.06	375,355	178,457	47.51
Preferred Accident	55,678	22,720	40.81	None	None	....
Providence Washington	1,153	—1,937	....	166,459	109,420	65.73
Provincial	78,665	45,524	57.87	272,385	187,241	68.74
Queen of America	40,969	14,163	34.57	712,544	325,502	45.68
Queensland	13,568	15,411	113.58	203,691	90,873	44.61
Railway Passengers	102,112	41,086	40.24	None	None	....
Royal Exchange	58,927	30,191	51.23	610,578	274,223	44.91
Royal Insurance	153,608	76,220	49.62	1,923,190	294,952	48.09
St. Paul Fire and Marine	83,503	50,827	60.87	356,617	160,514	45.01
Scottish Metropolitan	26,673	15,868	59.49	228,778	110,409	48.26
Scottish Union and National	11,329	11,798	101.14	398,609	179,798	45.11
Springfield Fire and Marine	1,986	1,008	50.76	333,598	224,247	67.22
Sterling	702	84	11.97	17,202	7,245	42.12
Sun	85,370	47,745	55.93	856,694	427,924	49.95
Travelers Indemnity	170,544	130,525	76.53	None	None	....
Union Assurance	33,618	17,231	51.26	569,079	247,067	43.49
Union of Canton	211,600	126,956	60.00	407,267	219,593	53.92
Union Marine	2,695	1,149	42.63	None	None	....
United British	19,463	12,122	62.28	128,416	94,657	73.71
United States Fidelity and Guar.	89,344	69,281	77.54	None	None	....
United States Fire	19,812	12,996	65.60	510,174	306,011	59.98
Western Assurance	312,852	172,007	54.98	664,825	318,479	47.90
World Fire and Marine	652	769	117.94	72,514	27,401	37.79
World Marine and General	18,669	4,937	26.44	100,873	28,059	27.82
Yorkshire	80,130	43,715	54.56	363,954	176,850	48.59
Zurich	143,671	91,402	63.62	None	None	....
Totals	7,560,724	4,372,793	57.84	37,794,475	18,643,031	49.33

Home Office: Detroit, Mich.

Forty-Fourth Annual Statement

December 31st, 1926

ASSETS

Real Estate	$ 1,991,551
First Mortgages on Real Estate	10,635,452
Government and Municipal Bonds (market value)	19,339,895
Cash and Bank Deposits	689,329
In course of Collection and other Assets	1,338,970
Total	$33,995,197

LIABILITIES

Reserve for Current Claims		$ 699,546
Legal Reserve for American Experience 3½%		27,134,365
Reserved for Mortality Fluctuations		2,000,000
Investment Contingency Reserve		509,767
Refunds Payable to Members (1927)		906,076
Unassigned Funds:		
Life Benefits	$928,680	
Sick and Accident	914,654	
General Relief	863,510	
Expense	35,606	
Juvenile	2,993	
Total Unassigned Funds		2,745,443
Total		$33,995,197

STATISTICS

Membership	215,857
Number of Tents and Hives	4,403
Admissions, 1926	21,695
Protection Written	$28,249,950
Increase in Assets	7,033,828
Interest Received from Investments	1,608,040
Net Rate of Interest Earned	5.84%
Refunds to Members, 1926	$704,857
Total Refunds to Date	1,760,938
Insurance in Force	226,524,566
Benefits Paid in 1926	4,789,721
Benefits Paid since Organization	164,116,216
Juvenile Insurance in Force	778,310

THE MACCABEES

A Service Organization for the Entire Family

HOME OFFICE: DETROIT, MICH.

A. W. FRYE, *Supreme Commander* S. W. HALL, *Supreme Record Keeper*

This year Canada is celebrating the DIAMOND JUBILEE OF CONFEDERATION (1867). A THIRD OF A CENTURY before that event (namely, in 1833, in the reign of King William IV.)

THE British America Assurance Company

was incorporated in the old Town of York, now the City of Toronto:

	1925	1926	Increase
Assets	$3,945,585.80	$4,375,717.78	$430,131.98
Policyholders' Surplus (including $750,000.00 paid-up Capital)	1,049,564.44	1,280,445.41	230,880.97
Premium Income	3,590,880.42	3,809,042.48	218,162.06

Losses paid since organization in 1833 $61,201,792.67

And SIXTEEN YEARS BEFORE CONFEDERATION (namely, in 1851)

The Western Assurance Company

was incorporated in the City of Toronto

	1925	1926	Increase
Assets	$6,902,013.83	$7,444,005.28	$541,991.45
Policyholders' Surplus (including $1,400,000.00 paid-up Capital)	2,076,948.21	2,514,865.35	437,917.14
Premium Income	5,015,719.17	5,282,319.76	266,600.59

Losses paid since organization of the Company in 1851 $97,583,344.96

Both the BRITISH AMERICA and the WESTERN transact a world-wide business, having branches and Agencies in Canada, Newfoundland, United States, West Indies, Central America, Great Britain, Europe, Egypt, South Africa, India, Australia and Hawaii.

They write practically every class of insurance except Life Insurance, namely

FIRE—Explosion, Riots, Strikes, Civil Commotions, Tornado, Sprinkler Leakage, Business Interruption.

MARINE—Ocean and Inland, Inland Transportation, Tourists' Floaters, Registered Mail, Motor Trucks Contents, Jewellery and Furs (Personal).

CASUALTY—Accident, Sickness, Guarantee, Liability, Plate Glass, Burglary and Theft.

AUTOMOBILE—Fire and Transportation, Theft, Public Liability, Collision and Property Damage, Equipment.

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Issuing Policies of the British America Assurance Co.

The IMPERIAL GUARANTEE AND ACCIDENT UNDERWRITERS

Issuing joint policies of the Western Assurance Company and The British America Assurance Co.

The ST. LAWRENCE UNDERWRITERS' AGENCY

Issuing Policies of the Western Assurance Company

THE BRITISH CANADIAN INSURANCE CO. OF MONTREAL

presently writing Casualty and Automobile Insurance but shortly to extend its powers to write same classes as the British America and Western.

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Canadian Mining News

THE FINANCIAL POST

Vol. XXI. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, APRIL 8, 1927 Member of Audit Bureau of Circulations No. 14

Governmental Check Needed on Financing

Mails Are Cluttered With Highly Speculative Propositions

HIGH PRESSURE SALES

Provincial Governments Are Applying for Power to Control Sale of Stock in Own Province

In the past week or two, the mails have been cluttered with a flood of mining quotations and prospectuses which, to say the least, are highly speculative propositions for anyone to put their money into. Practically all this "propaganda" originates in Toronto or Montreal, but not a little comes from New York and other American cities.

Several of these letters which have come to The Financial Post set forth some preposterous statements which would be amusing, were it not for the fact that this type of direct mail advertising is paying, or the promoters would not continue it. There could be no possible objection to responsible mining companies using the mails to inform the public of their activities or to recommend the purchase of stock in properly managed enterprises. That is legitimate business. Some of these circulars are being distributed by concerns, however, which cannot be rated as responsible.

On looking over some of these letters one is impressed with the similarity of inducements held out to the prospective purchaser of stock. Speculation is not spoken of, rather is the word investment stressed. Profits made by original shareholders in some of the well-known producing mines are set forth; the favorable position of the property holdings emphasized; and lastly that a "small block of treasury stock is being offered" (oftimes greatly in excess of open market values) to provide funds for the erection of a plant to wrest the golden riches from Mother Nature.

High Pressure Salesmanship

Moreover, there has been a resumption of high pressure salesmanship in certain mining stocks, which has not been at all conducive to fostering or building up public confidence in the mining industry. The following, taken from a letter sent in by a Montreal reader of The Financial Post, is an illustration of the methods used:

> In reference to the ...... company, rather a crude form, if not illegal form, of salesmanship was foisted on the public here recently. A letter was sent by the secretary-treasurer, stating that a Capt. So and So would call on you offering stock at 25 cents "prior to negotiating out anticipated deal with New York interests." The day following I received a telephone message from Ottawa (?) asking me if I knew any persons owning stock in this company as he wanted to procure stock and was willing to pay 55 cents. This was followed by a telegram saying, "Will bid you highest price for all ...... mining stock, no matter how large. Will be in Montreal 21st and buy. "————."
>
> On the 21st, somebody presuming to be the signer of the telegram, telephoned to say that he would call at 2.30 and take up all stock. Needless to say he did not turn up.

This sort of thing is what mining is saddled with, and ruins the prospects of legitimate enterprises. The distress caused to individuals who purchase stocks of the most speculative type is, in itself, a matter of grave concern, but there are far-reaching effects in other directions. The Canadian Bank of Commerce has made a study of the situation, and in its official bulletin says that the greater part of the loanable funds of banks is made up of the savings of people who regularly deposit small sums and who thereby accumulate fairly substantial balances. These, in the aggregate, comprise the liquid capital of the country which is employed in the conduct of industry and trade, and in this way the financial resources of the country are pooled and made available for commerce. From these funds the farming community obtains loans which enable it to sow and to reap its crops, or to purchase and to finish young live stock. Similarly, all other classes of producers and their manufacturers depend upon these funds for advances to meet pay-rolls and to bring their raw materials or finished goods to the markets. Therefore, when this liquid capital is depleted by withdrawals for the purchase of stocks of doubtful value less credit is available for productive and distributive purposes, and there is a direct economic loss to the country which must be shared by all engaged in business.

The activities of those responsible for dishonest and unsound financing should be checked, and if this cannot be accomplished by a wide-spread warning and by the concerted action of private interests it will be necessary to institute governmental measures. Three of the provincial governments, in applying recently to the Dominion government for power to control the sale of stocks within their own borders, have taken steps which are to be commended.

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Output Nears Billion Mark

A tabular summary on the production of metals in Ontario shows that the mines of the province to date have produced metallic minerals to the value of over 882 million dollars. Of this amount, 75 per cent. is represented by gold, silver and nickel, the greater part of which has been produced in the last twenty years. The total production of gold is given at $215,367,290, of which no less than $212,566,475 represents the production of the last fifteen years.

HYDRAULIC MINE OPERATIONS TAKE ON NEW INTEREST

B.C. Allurial Deposits Estimated to be Worth Half-a-Billion

VANCOUVER.—Granted that leases recorded and in good standing in British Columbia have an average value of 10 cents a cubic yard in placer gold, no less than half a billion dollars, is the wealth held by the province in its alluvial mining propositions upon which development is proceeding or is contemplated, according to the calculations of J. H. Robertson, veteran mining engineer.

Speaking to a gathering of mining men held under the auspices of the B.C. division of the Canadian Institute of Mining and Metallurgy Mr. Robertson urged greater interest in the hydraulic mining possibilities in British Columbia.

Hydraulic Mining Safe

"There is gold in the gravels from New Westminster to the Peace River," he said. "And there are bigger and richer bonanzas than any that have yet been struck. I do not say that there are many dredging propositions. But there is hardly any limit to the opportunities for profitable hydraulic mining. Of all methods of mining it is the safest from the investor's point of view. Properly speaking, there should never be any failures in hydraulicing. Testing of sands is neither difficult nor expensive. Failures in hydraulic mining almost invariably are due to insufficient water."

With a natural head of water gravel carrying 2 to 6 cents a yard could be worked profitably with monitors and sluices, he said.

Three factors had combined to detract from interest in British Columbia placer mining, the speaker pointed out. The California fiasco of 1892 when that state, on the insistence of agricultural interests, blocked further development of placer mining by law and caused a loss of $300,000,000 in capital invested in the state by Eastern United States and British capital, was the first adverse influence. The Klondike rush of 1897-98 diverted attention to the Yukon. In 1914 the war intervened.

The series of misfortunate circumstances seemed at an end. Recognition of the tremendous placer wealth of the province and application of hydraulic methods to the working of low pay alluvials would bring British Columbia to the fore among gold producing areas of the world, he concluded.

Dome Shareholders Agree to Cut Dividend

Cut in the dividend of Dome Mines from $2 to $1 a share, was agreed upon by shareholders at the annual meeting of the company. Commenting upon this, President J. S. Bache, said: "Four years ago, when we increased the dividend from $1 to $2 a share, we created a dividend assurance fund which is still of a substantial size. An injustice is now being done to the mine, and, therefore, to the shareholders, because we are paying a dividend we are not quite earning. I think that the cut will benefit the shareholders and increase the value of the stock."

It has been known for some time that Dome was not meeting interest requirements and the action of the shareholders will undoubtedly do much to strengthen the position of the company. The one weakness in the organization up to the present has been the failure to secure and work other properties. No other claims other than the Red Lake stakings are held by Dome. This has militated against the growth of the company and all its revenue. aside from that received from investments, has come from the Dome mine.

With the additional capital created by a smaller dividend, more money should be available for the investigation and acquiring of other claims. The home property is practically worked out — the general manager gives it another two years — and meantime with the resources at hand, other properties can be secured which will allow Dome to continue as an operating concern.

It may be that other veins will be found on the property being mined. It may also be taken for granted that the management will spare no effort to locate further ore during the next year or two, but in any event the position of the shareholders is strengthened by their action in cutting the dividend.

The only change in the directorate, was the addition of Robert F. Segsworth.

Prospector is Vital to Mineral Development

Though Great Progress Made in Backing Him Financially and Directing His Efforts, Much Remains to be Done

The search for mineral deposits in Canada to-day requires that the country should have a better knowledge of prospecting. Intelligent prospecting means much to the country, and the country holds much for the prospector and for capital that will take up the burden when the prospector has done his part, and carry the effort on. It has been made possible for The Financial Post to do something in the way of spreading a knowledge of these facts, through the kindness of Dr. W. L. Goodwin and his son, W. M. Goodwin, who have agreed to contribute a series of articles on the subject. Dr. Goodwin is one of Canada's foremost geologists. He was associated with Queen's University for many years and of late, on behalf of Ontario Department of Mines, has been holding prospectors' classes at different vantage points, throughout the north. His son is a mining engineer of repute, now associated as field man with Huronian Belt and Pioneer Mines, having charge of their prospecting work and the testing out of their prospects. He was formerly editor of Canadian Mining Journal. We believe that this series of articles will not only prove suitable as a text book for the guidance of prospectors but will be of immense value to the great body of investors and especially directors of mining companies, who from time to time have dealings with prospectors.

Below will be found the first article of the series. The second which will appear next week will be entitled "Relation of Geological Surveys to Prospecting."

"In recent years the mining industry of the world has been faced with an astonishing growth in demand for mineral products to meet the needs of modern civilization. The full momentum of this rising world demand can scarcely be realized. One competent authority points out that the world's mineral production in recent times has doubled every ten years, and that more minerals were produced and consumed in the first quarter of the present century than in all preceding time. The mineral resources of the older countries are gradually being exhausted and Canada holds a position of singular strength in relation to the world's chief mineral-consuming markets. It is almost inevitable that the demands from abroad for Canadian mineral products will steadily become greater, more varied and more insistent."

Wonderful Opportunity Exists

In these words the present position and future hope of Canada's mineral industry are summed up in a recent official publication by Dr. Charles Camsell, Deputy Minister of Mines at Ottawa. A number of authorities similarly well versed in their subject have cited, both here and abroad, similar facts and voiced the same conclusion. Consequently we may conclude safely that the present generation of mining men and prospectors in this country enjoy an opportunity the like of which has never existed before, and, moreover, that this opportunity is likely to last as long as any large part of our vast unprospected regions remains unexplored.

The practical question of the moment is, how best to take advantage of this opportunity. The progress of the mineral industry depends, in the first place, obviously, upon the discovery and initial development of mineral deposits; then these deposits have to be developed into mines at the expense of large sums of money, the raw products must be treated in mills or smelters that are often very costly to instal, and finally the refined products are put into the proper channels of trade.

To-day all these conditions except the first have been amply met. We have an abundance of skilled operators for mines, mills and smelters who know, or can find out, exactly the methods and processes best suited to the conditions. There is plenty of money to develop proven deposits and build the requisite mills and smelters. Likewise marketing of the principal mineral products has been brought to such a fine point that a single smelter, at Trail, in the interior of British Columbia, is selling lead and zinc at the same time in Japan and in Europe. The financing and systematizing of the first stage in the process, namely the prospecting and initial development, alone remains in an unsatisfactory state. Though great progress has been made during the last few years in finding money to back the prospector and in getting him to expend his labour in the ways best calculated to bring him success, much remains to be done.

We realize clearly that, while the development of mines and the extraction and treatment of ores have become highly organized technical arts, the finding of ore deposits has barely commenced to be so organized. Consequently, while there is now plenty of money available for the mining engineers and metallurgists who can demonstrate that there will be a good return on the investment, there is very little money made available to the prospectors who must find the prospects that will make the mines. This is not logical, but it is a fact. By studying the various features of a prospector's work, as we shall do in succeeding articles, we may find that there are conditions under which the chances of profit to investors who will put their money into the search for mines are equal to or even better than the chances of gain provided in their exploitation. It requires a comparatively small amount of money to support the efforts of the prospectors who find our mines, in contrast to the vast amounts needed to develop and equip them, and there is no valid reason why this modest sum should not be readily forthcoming each year, provided the investors understand "the game" and the prospectors "play fair."

On Scientific Basis

Few of the general public realize that, during the quarter-century that has witnessed the rise of the metal mining industry of eastern Canada, there has grown up likewise a corps of prospectors who have so developed their art that the discovery of mineral deposits is no longer dependent upon accident or lucky chance, as it was formerly in such large measure. These prospectors are characteristically young, vigorous and well-informed. They use in their search all the aids science can provide. We may miss the grizzled old-timer, full of bacon, beans, weird ideas and interesting yarns; but it is not hard to appreciate the fact that his successor, with a knowledge of the rocks, an inkling of the habits of mineral deposits and a close contact with engineers representing capital for investment in good prospects, is much more likely to make mines. In fact, the discovery and the present phenomenal growth of the newer mining camps of eastern Canada can be traced directly to the good work of the few score prospectors of the new type. There are only a handful of them at present (most of the so-called prospectors are merely "stakers"), but their number is increasing so rapidly that we can expect a correspondingly rapid increase in the discovery of mineral deposits.

Victoria Syndicate Controls Lucky Jim

Victoria Syndicate (Mond) has taken control of the Lucky Jim Mine in the Kootenay district. The syndicate expects to have a majority of the stock, but are trying to make sure of control by open market buying. The public has half of the three million shares outstanding. The same company has also taken Pend Oreille, a lead-zinc property just on the boundary, across from the Washington company of the same name.

Plan Two Mergers In Portland Canal

New Use for Ilmenite Ores

Canadian ilmenite ores will soon be used in the manufacture of a new pigment called "Titanium White" (to be used in the same way as white lead) according to R. H. Monk, of McArthur, Irwin, Limited, Montreal, who stated that plans are nearing completion for the erection of a plant in Montreal, and that if everything develops as expected this plant will be set up in the Autumn.

MANITOBA SOON WILL BE STEADY GOLD PRODUCER

Two Widely Separated Fields Are Under Exploitation

For some years back production records credited the province of Manitoba with a nominal output of gold, practically all of it from prospect workings, and under the stimulus of high prices during the war a considerable amount of rich copper ore was mined and shipped; but the province has never attained the status of a metal producer in the ordinary acceptance of that term. Current activities in two widely separated fields, according to A. H. Robinson, of the Federal Dept. of Mines, however, now indicate that Manitoba is soon to become a steady producer of gold and, later, possibly an important source of the base metals, copper and zinc also.

Central Manitoba Reserves High

In the southwestern part of the province, east of Lake Winnipeg, Central Manitoba Mines, Ltd., under the management of the well-known firm of John Taylor and Sons of London, England, are developing extensive gold-bearing quartz deposits, and have already blocked out very considerable reserves of ore of profitable grade, that is to say of material that will average about $12 per ton and having a total estimated gross value of at least $1,100,000. A 150-ton mill is now about to be built; the material for this purpose is being taken over the snow roads this winter, construction will follow next summer, and the mill should be in operation by the end of 1927. Hydro-electric power will be used for mining and milling, this being supplied by the Manitoba Power Company from their generating station at Great Falls on the Winnipeg River about 50 miles away.

Experimental Mill on Flin Flon

In northwestern Manitoba, a 25-ton experimental plant has been built on the Flin Flon mine, north of the Pas, for the purpose of trying out a method of treatment adapted to the low-grade copper-zinc ores found there. Some sixteen million tons of ore carrying an average of 1.68 per cent. copper, 3.49 per cent. zinc, 0.074 oz. per ton gold, and 1.04 oz. per ton silver, have been blocked out by diamond drilling on the Flin Flon, and as soon as a commercially feasible method of treatment has been developed in the pilot plant, the exploitation of this vast deposit will be undertaken on a large scale.

It is estimated that the initial expenditure necessary to put the Flin Flon on a commercially productive footing, including the building of some 85 miles of railway, will be in the neighborhood of $12,000,000. A number of other deposits verv similar in composition to the Flin Flon have been discovered throughout the district and are only awaiting the outcome of the Flin Flon experiments before intensive development is undertaken on them also.

Premier, B.C. Silver and National Are in One

TOTAL OF 46 CLAIMS

Other Merger Pending Involves Bush and Extenuate Properties With 64 Claims—New Smelter is Help

By DAN E. CUSHING
Mining Editor, The Financial Post.

VANCOUVER.—Big developments are pending in British Columbia for the Portland Canal gold-silver area. Outlook is that tne whole of the famous Premier Mountain may come under control of two very large companies, Premier and a new organization, likely Bush Consolidated.

Premier is the leading producer of Portland Canal. It is down the mountain from the B. C. Silver Mines, owned by Selukwe of London, England. Above it again is the National Silver Mines, controlled by Sebawque, also of London and in turn controlled by Selukwe. All three are on one ore zone. There is much talk and some plans for amalgamation of the trio to make for economical mining. Negotiations which President Banks of B. C. Silver started, fell through and now the Guggenheims of New York, owners of Premier, have taken a hand. After studying plans one can see that the only logical thing is amalgamation. Premier may not take the total acreage of others but in addition to its own 27 claims, would take 7 B. C. Silver and 12 National Silver claims or 46 claims in all. Extension of Premier ore zone has been proven into both properties. The Premier plan is said to make the new capitalization $7,500,000, giving an added $2,500,000 for the additional 19 claims. This would make Premier a large mine and give it a very long life.

Just as these negotiations are on, Bush Consolidated, which will have 53 claims on both ends of the Premier consolidation and extend over the boundary into Alaska, and the Extenuate mines, controlled in Toronto, are being approached to go into the consolidation and if they agree will make up total holdings of 64 claims. This would put 110 claims on the Premier ore zone into the hands of two very large companies. Big interests are associated with the Bush people but details of the concern are not yet available. Many interests, including "Smelters," are negotiating for Portland Canal properties and the outlook in this section will stand out this year in B.C. lode mining. One of reasons back of this considerable activity is the announcement that Messrs. Cunningham and Thomson have succeeded in raising a large amount in England to rehabilitate the old Ladysmith smelters. This will give the coast a needed customs smelter and while sufficient ore may not be immediately available, much can be accomplished in a year. Many Portland canal operations have been held back for lack of a smelter, present freight rates to Trail or Tacoma being prohibitive.

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LAKE MARON MINE MAKING FAIR HEADWAY

Development Work on Small Scale in Order to Keep Free of Liabilities

Development work on the Lake Maron mine property on the Quebec-Ontario boundary, one mile north of Cheminis station, was carried out on a limited scale during the past year, in order to keep the company free of liabilities, according to the annual report of the president, R. I. Watson. It is the intention of the company to push the sale of its shares this year for the purpose of providing additional cash to be devoted to exploratory work.

Although the company has only been in existence since February of last year, exploratory work has proven encouraging and the geological conditions are favorable for the discovery of some spectacular ore. The property is conveniently located as regards railway transportation, adequate power, highways, etc., this assuring convenient and cheap operating costs. A comparatively low grade ore can be mined and milled here at a profit.

In his report to the directors, Chas. W. Dalby states that there are two known wide belts or dykes of Agoman syenite prophyry cutting through in an east and west direction. The two bodies apparently parallel each other at a distance of about 600 feet apart. The South Porphyry body being over 400 feet wide, and the North porphyry body being about 175 feet wide, both of which dip to the North. These porphyry intrusions are conceded to be the origin of the gold in the producing mines at Kirkland Lake, in fact are believed to be origin or source of the gold ores throughout the Precambrian area.

Similar to Kirkland Lake

This similarity of the porphyry and conglomerate rocks on your property to those that occur at Kirkland Lake is quite marked; in fact these series of rocks are identical and one should have the courage to expect similar ore bodies to those being mined at Kirkland Lake. The North side of the North porphyry dyke is in contact with the Keewatin Greenstones and Basalts which so far as is at present known cover a large part of the Northern Area of the property. The south side of this North porphyry is in contact with the conglomerates and Greywhacke rocks and along this contact the major part of our work has been concentrated. Deep trenching here revealed a very pronounced fractured zone showing very intensive rock movement and constitutes a most promising break .

A strong vein has been uncovered in this zone from 6 to 8 feet wide, which is designated as No. 1 vein. Work was continued on this fractured zone during September and October and another vein in the porphyry close to the contact was located which we number No. 2 vein. Working force was not increased and the progress made with the deep trenching through a mass of large boulders which had to be drilled and blasted out with dynamite was of necessity slow.

Extensive Trenching Done

During the months of November and December trenching was done on the sedimentary rocks lying between the two Porphyry bodies. Considerable vein matter has been uncovered.

In December a small mining plant was purchased. Gasoline engine, hoist, air compressor with hoisting cable bucket, etc., also drill steel, Blacksmiths coal, gasoline, piping and iron. Trenching work being carried on meanwhile. A road was cut from the main road to workings at No. 1 vein. Ground was cleared away, poles cut and put down to receive machinery and supplies, and a building erected and foundations prepared for mining plant. Machinery arriving at Cheminis was teamed in and gasoline engine and hoist placed on their foundations. Hoisting derrick with swinging boom was constructed and set up and on February 1st this part of the plant was in operation.

Anticipate Large Ore Bodies

A deep trench was commenced farther to the west to cross and open up No. 1 and No. 2 veins and uncover at this point the fractured contact zone. This fracture or break undoubtedly extends through the property for several thousand feet and practical mining experience justified the statement that ore bodies of value and volume will be found to exist.

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Ontario Gold Output Declines in February

Returns from the gold mines of Ontario for the month of February received by the Ontario Department of Mines show the record of gold production for the second month of 1927 to be slightly below that for January, and also lower than the monthly average for 1926. This is due to February being a short month of 28 days.

During February producing mines in order of output were as follows: Porcupine area—Hollinger, Dome, McIntyre, Vipond, Ankerite, Consolidated West Dome Lake and Paymaster. March Gold Mines marketed gold produced in 1926: Kirkland Lake area—Lake Shore, Teck-Hughes, Wright-Hargreaves, Kirkland Lake Gold, Barry Hollinger, Tough-Oakes and Argonaut.

Output of Ontario Gold Mines, 1926-1927

	Ore milled, tons	Total value* crude bullion
Porcupine—		
Calendar year 1926	3,180,943	$23,810,626
Average per month	265,079	1,984,219
January, 1926	269,325	1,946,563
December, 1926	278,775	1,971,990
January, 1927	292,484	1,926,908
February, 1927	265,559	1,885,833
Kirkland Lake—		
Calendar year 1926	521,190	7,192,393
Average per month	42,777	599,458
January, 1926	34,167	575,128
December, 1926	52,853	718,407
January, 1927	50,696	600,354
February, 1927	50,103	592,230
Miscellaneous—		
Calendar year 1926	538	4,979
Jan., 1926; Dec., 1926; Jan. and Feb., 1927	nil	nil
Total for calendar year 1926	3,700,695	$31,180,671
Average per month	308,391	2,598,389
Total for January, 1926	303,492	2,521,691
Total for December, 1926	331,628	2,690,397
Total for January, 1927	343,180	2,527,262
Total for February, 1927	315,662	2,478,063

*This total includes the silver contained in the crude gold bullion marketed, but not the gold recovered in the refining of nickel-copper mattes.

DON ROUYN STARTS DIAMOND DRILLING

Drill Goes Down on Number 1 Group—Active Development Started

From Our Own Correspondent.

MONTREAL. — The Don Rouyn Gold Mines is putting a diamond drill into its number 1 group of claims this week, following the drilling campaign completed there a year ago.

E. J. Pattee, the president and W. J. Hamilton, managing director on Don Rouyn are now on the ground and Mr. Hamilton is "spotting" the holes for future drilling. The company's plans call for an immediate extensive diamond drilling campaign on this property. Work there this winter consisted of running picket lines, blocking off the property into 250 foot squares and carrying on a thorough magnetometer and dip needle survey. The work this winter has been concentrated on this group as the mineralization there is known to extend over a wide area and, with the drilling already begun, it is expected to block out substantial ore reserves on these holdings.

As soon as the snow disappears the company also plans extensive surface work on its Destor property which will probably also be followed by drilling as a large sulphide zone has been disclosed there.

Don Rouyn is now entering its most active development period, following the completion of the geological maps and surveys of the number 1 group which naturally are the first requirements of intelligent mining operations. Don Rouyn owns in all seven groups of claims situated in the Quebec mining area. Strong interests are behind the company.

The recent decline in the market for the shares was caused by the expiration of a pooling agreement and about 1,000,000 shares were dumped on the market. Coupled with this the general market suffered a decline which naturally also made itself felt in the market for Don Rouyn stock. It is understood that the stock is now going into stronger hands.

Miller Boischatel Mines to Take Over Syndicate

A new mining company, the Miller-Boischatel Mines Company, Ltd., has been formed under the laws of the Province of Quebec, with a capital of $3,000,000, divided into 3,000,000 shares of a par value of $1 each.

This company has entered into a contract to buy all the assets of the Miller-Boischatel Syndicate, Ltd., who own 29 mining claims, which are well located in one block in the centre of the intense mining activity of the Rouyn district. The reports of two well-known mining engineers indicate four well mineralized zones, and these engineers have both recommended further trenching and a diamond drilling campaign to be immediately undertaken.

The mining company is paying the syndicate 1,500,000 shares for the syndicate's holdings, and the present shareholders will receive 50 shares of the mining company for each share of syndicate stock now held. 600,000 of the treasury shares have been optioned, which will net the treasury $240,000 when sold, remaining treasury shares being retained for the raising of further money or acquiring of other properties as may be deemed advisable by the company.

Oriole Syndicate Take Over Miller Group of Claims

Oriole Gold and Copper Mining Syndicate have now completed their arrangements and have taken over claim Nos. 11,175 to 11,197, inclusive, 23 in number, known as the Miller group, comprising 920 acres adjoining their own claims on the east, also 15 claims, Nos. 9,105 to 9,119, inclusive, to the West, containing 600 acres, purchased from the Federal Gold and Copper Co. The Oriole Syndicate now control 54 claims in one block in middle west Montbray, the whole containing 2,160 acres. They also hold an option on another large block near the Noah Timmins option. Initial operations are being conducted on a mineralized zone 100 to 200 feet wide, where copper values have been obtained by surface work.

Large Mineralized Zone on Destor Shown by Drilling

At a meeting of the board of directors of Destor Mines, Ltd., a report was presented showing the progress made in diamond drilling operations on the properties of the company by Smith & Travers, of Sudbury, Ont. under the direction of the consulting engineer of the company.

The work comprised about 1,700 feet of drilling, and directors are satisfied with the results obtained. All the veins were encountered at an average depth of 100 feet and large mineralized zones were indicated. The geological formation has been ascertained, and this will permit of further development with a greater degree of certainty.

Since March 1, men have been employed in uncovering the ore revealed by diamond drillings. A quantity of this ore has been forwarded to the provincial laboratory for analysis, and results should be known within a few days.

MARRIOTT TOWNSHIP DRAWS ATTENTION

Surface Work by Ottawa Syndicate Shows Favorable Geology

The southeastern part of Marriott township, in Ontario, adjoining the Quebec boundary at the northwest corner of Montbray township, is the subject of very favorable comment among mining men, due to an important discovery made last fall, and which has been opened up during the past few months. A syndicate headed by an Ottawa firm has the group of properties in question, and Joseph Houston. E. M., has just recently returned from a visit to the properties. Mr. Houston in his report states that the conditions at this time of the year are not just the best for making an examination owing to the heavy covering of snow, but he was able to see the outcrops where they had been cleared off and get an idea of the mode of occurence of the ore. The high-grade ore and its fine-grained texture indicate that it is of the magmatic injection type, which indicates that the ore comes from depth.

The indications are that the outcrops exposed are only parts of a much larger body which lies in the vicinity of, and under the water of, McDermid Lake. Mr. Houston sent out about 100 lbs. of the ore from the bottom of one of the pits at the edge of the lake, and this was assayed by the Dominion government laboratory at Ottawa, the same running 26.35 per cent. copper, 2.48 oz. silver, and .21 oz. of gold. This massive ore was opened up for 15 ft. in width, and for more than 150 ft. in length, and the present syndicate are making arrangements at the present time to have a diamond drill taken in there just as quickly as possible, as it is felt the same will prove the property to a point where there will be no question as to the future.

Samples of the ore from Marriott are more massive than anything else that has been seen from any of the other properties at the same stage of development, and results have caused some of the larger mining companies to send their representatives to the scene of activity, and at the present time, in addition to overtures being made for the properties under development, a considerable amount of staking is being done, which, of course, indicates activity during the next few months.

Reported Find on Andean Property Stimulates Activity

Word has been received from the superintendent of Andean Mines, Ltd., that a crew of men are at work at the present time. The reason for the work being started on a large scale now is because of a reported discovery on the north group of the company's properties. That section of Boischatel township has been very conspicuous during the past short while, due to the fact that the Timmins interests, Coniagas, Noranda, Tonopah, and Alderson-McKay interests, have acquired large blocks of ground in this vicinity.

The properties of Andean Mines are admirably located and are considered so much so that three offers were received for the control. The fact that they had right geology led to the belief that something big would be encountered, and the present report has encouraged the management. The treasury is financially able to take care of all present developments, and it is expected that the developments in the next few months will reveal indications that will make Andean one of the outstanding properties of northwestern Quebec.

Fisher Quebec Gold Now Listed on Curb

From Our Own Correspondent.

MONTREAL. — The Montreal Curb brokerage house of Green and Tracey is offering 500,000 shares of the Fisher-Quebec Gold Mines at 75c. a share. Upon the completion of this financing, the company will have in its treasury 2,000,000 shares available for further financing, and there will be 1,000,000 shares outstanding. The stock has a par value of $1 per share and has been listed on the Montreal Curb Market.

The claims were purchased from the original syndicate, which has already spent some $250,000 in proving up the properties. The company owns two groups of properties, one of 700 acres and the other of 500 acres, both situated in Landrienne Tp., P. Q. The principal workings are located less than 2,000 feet from the national transcontinental line of the C. N. R.

On one property some 2,000 feet of diamond drilling has been done, and a shaft is down 200 feet. Camp buildings have been erected and the proceeds of the present financing will be utilized to purchase the heavier machinery necessary to continue the development of the property to depth.

On the more northerly property the diamond drilling has developed ore bodies with a width of from 20 to 70 feet which have shown satisfactory assay results. On the southerly group, surface work reveals gold-bearing veins of high-grade ore. The results achieved from test pits and trenching on this property are sufficient to warrant diamond drilling to depth. The president of the Fisher-Quebec Gold Mines is H. S. Thomson, of Quebec, and the vice-president is D. W. Ogilvie, of Montreal.

Extenuate Sold to Toronto Men

The purchase by John P. Kendall and Company, of Toronto, and a number of eastern banks, of the Extenuate gold mine at the head of the Portland Canal, British Columbia, is announced. The purchase is said to represent an amount in excess of $500,000. The newly-formed directorate of the mine will include General A. E. Ross, M.P., of Kingston, Ont., and Edwin Hearne, of Toronto, it is stated.

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OIL EXPLORATION WORK ACTIVE IN WESTERN FIELDS

Recent Developments Along Scientific Lines Have Secured Results

ROYALITE IS LEADER

Several Areas Now Being Tested and Drilling is Expected to Show Favorable Findings

Present widespread discussion of oil developments in Western Canada lends special interest to a bulletin just issued by the Geological Survey of the Canadian Department of Mines. This bulletin, which was prepared by G. S. Hume of the Canadian Geological Survey, deals with conditions in the Turner Valley, along the foothills, and in the Wainwright and other fields. It also touches briefly upon the situation in the older fields in Ontario. There have been many disappointments encountered by investors in Western oils during the boom days just prior to the war, but more recent activities have been conducted under the advice of skilled geologists and mining engineers and better results have been secured.

In the Turner Valley

In the Turner Valley and adjoining areas southwest of Calgary, Alberta, more than twenty-five wells were being drilled during 1926. Turner Valley became prominent as an oil field on account of the production secured in Royalite No. 4 well over two years ago. During 1926 this well is unofficially reported to have produced 193,723 barrels of seventy-three degrees Baume naphtha, the daily average of production being approximately 530 barrels.

During 1926 three other wells, McLeod No. 2, Illinois Alberta and Vulcan No. 1, were drilled into the productive horizon and the Illinois Alberta and Vulcan wells are now producing about the same grade of naphtha as Royalite No. 4. McLeod No. 2 well also produced, but owing to drilling difficulties the flow of gas and contained naphtha has been temporarily shut off, but undoubtedly will be recovered unless further difficulties develop. The production from these wells proves a porosity in the productive zone over a wide area in Turner Valley, and in the hope that the productive zone will extend the whole length of the Turner Valley structure wells are being drilled throughout a distance of about twelve miles.

Other Prospective Foothill Areas

During 1926, drilling, according to the official bulletin, was done in several other prospective areas within the foothills. These include the Jumping Pound and Moose Mountain areas south of Bow River, the Highwood area, Rice Creek area west of Nanton, etc. No wells have yet reached the large productive horizon of Turner Valley. In the northern foothills the Coalspur well of the Imperial Oil Company has been abandoned at a depth of 4,305 feet without any prospects for production having been secured.

In the Plains area Roth No. 1 well, being drilled in the Medicine Hat gas field, obtained gas in the Medicine Hat gas sand but no further production of oil or gas at depth. The well has been abandoned except as a gas well and No. 2 well is being drilled. The Imperial Oil Company's Burdette well that is being drilled on the Bow Island structure found an oil sand in the lower Cretaceous, but a test of the well failed to give commercial oil production and the well is being deepened.

Eastern Central Alberta

In eastern central Alberta the Imperial Ribstone No. 1 well, drilled on the structure outlined by the Geographical Survey in 1925, obtained a gas flow unofficially estimated as about four million cubic feet per diem, at about 1,400 feet depth. Between 1,870 and 1,900 feet of oil sand was encountered and tested. Bailing was continued for several days, but the flow was only about five barrels per diem of eighteen degrees Beaume oil, accompanied by some water. The well is being deepened. As the core of the oil sand gave reason to hope for a larger production and the large flow of gas at the higher horizon indicated the structure to be favorable, the results of the test of the oil sand are disappointing. It is recognized, however, that one well is not sufficient to test the porosity of sands that have now been proven to have prospective productive value, and it is understood that a number of wells are to be drilled in 1927.

Two wells, the Ribstone Oils No. 1 and Advance No. 3, are now being drilled, and, as their locations in reference to the structure are only slightly different than that of Imperial Ribstone No. 1, their prospects for production depend, firstly, on the presence of a larger effective porosity within the saturated oil sand than occurred in the Imperial Ribstone well, and, secondly, on sufficient pressure of gas within the oil sand to drive the oil into a well. It is considered that the favorable indications of the Imperial well justify drilling of a number of other wells on various parts of the structure in an attempt to locate a productive area within the oil horizon.

The Wainwright Field

In the Wainwright field during 1926 three wells were drilled to the Cretaceous sand productive on 3B British Petroleums and Edmonton Wainwright wells. Of these three wells the Emerald found the sand "tight" and secured no production, although the well is being deepened; the Western Consolidated obtained oil at the productive horizon, but the capacity is unknown, and the Dome has reached the productive sand, but not yet made a production test. The official production of the Wainwright field for 1925 was 4,650 barrels, but as yet no figures are available for 1926.

Ontario Iron Ores

During 1926 no shipments of iron ore were made from Ontario iron mines, although a total of 948,154 tons of imported ore was used in the blast furnaces at Sault Ste. Marie and Hamilton. Pig iron produced in Ontario last year amounted to 545,737 tons. In addition there was a large output of steel and ferro-alloys. Some interest is being displayed in the vast iron deposits of the province, and it is anticipated that, with the diminishing of the high-grade ores in the mines of the United States, the lower-grade ores of Ontario may be developed extensively in the future.

Plan Stellarene Refinery in Alberta

Plans are afoot for the erection of a Stellarene refining unit at Coutts, Alberta. The company has already organized and equipment has been ordered.

The Lemon process will be used. This is a new method of refining fully tested at the Interocean Refinery at Baltimore, which is now producing and marketing large quantities of Stellarene with complete satisfaction.

COPPER HILL BUYS McKENZIE GROUP

New Company Holds 200 Acres in Dufresnoy and 400 in Montbray

From Our Own Correspondent.

MONTREAL.—The Copper Hill Mines has purchased an option on the McKenzie group of claims situated in Dufresnoy township, P.Q. The Copper Hill Mines has been recently organized and in addition to obtaining the option on the 200 acres in Dufresnoy, it has purchased also 480 acres in Montbray township.

Due to the important surface discoveries made on the McKenzie group, much interest in the property was aroused; many bids were made for it by well-known mining interests before the option was acquired by the Copper Hill Mines.

On these holdings the mineralized zone has been traced for over 800 feet on the surface and the strike of the ore would allow for a 3,000 foot ore body on the property. The main strike occurs in the centre of the property. The discoveries made on these holdings are regarded as among the best in the Quebec field. The Copper Hill Mines has already put down a drill hole which is in ore at the present time. The Dufresnoy holdings abut on the properties of the Clericy Mines and those of the Harvie Archean.

The Montbray Holdings

The new company's Montbray holdings consist of 480 acres joining the properties of the following companies: Nipissing, Coniagas, Consolidated Smelters, Towagamac and the Porcupine Gold Fields Development and Finance. Successful results have already been achieved by all these companies. As soon as the snow is off the ground, the company will carry on surface work on the Montbray acreage. Like the Dufresnoy property, large mining interests were known to be negotiating for its purchase before it was acquired by the present company.

The Copper Hill Mines is capitalized at $3,000,000 in shares of $1 par value. The vendors of the property have acquired and have pooled for two years, 1,000,000 shares as payment for the properties; 1,000,000 shares is held by a trust company for future financing and shortly 1,000.000 shares will be offered to the public. The stock has been listed on the Montreal Mining Exchange and will be called for trading soon.

As the company has funds in its treasury, the shares will probably not be offered publicly until the results have been obtained from the diamond-drilling campaign now in progress on the Dufresnoy holdings. Both properties have attracted the direct personal attention of several well-known mining engineers who have inspected the properties for their principals.

Cummings-Trudell Plan Active Campaign This Spring

The Cummings-Trudel Mining and Development Company is now engaged in mapping out an active campaign for 1927, and, with the advent of spring, work will be immediately commenced on their various holdings, according to an official announcement.

Since the forming of this company, a subsidiary company, called Dorval Mining Co., Ltd., has been incorporated under the "Company Act" of Quebec. These two companies were incorporated to take over the assets of the Continental Gold Mines Syndicate, Dorval Mining Co., Ltd., being the operating company, and Cummings-Trudel the holding company.

The assets of the syndicate consisted of 33 mining claims, or 1,500 acres in Quebec, divided into four groups.

Atlin Mines Making Good Progress on Crosscuts

Work of connecting No. 1 and No. 2 cross-cuts in the main 2X orebody of the Atlin Silver-Lead Mines in British Columbia is proceeding, and the drive, ever since this piece of development work began, has been continuously in fine ore, 12 to 15 feet wide, with values grading from $35 to $50 per ton over the entire width. Solid high-grade frequently occurs.

Raising from the main 2X tunnel for air has established the fact that the tunnel vein is vertical, whereas the diagonally-intersecting cross-vein in which the main 2X orebody was discovered dips to the north at an angle of about 65 degrees. There appear to be three paralleling breaks or veins in the dike which originally filled the wide No. 2 fracture.

The manager expresses the opinion that the workings in the main 2X shoot are in the upper part of what is likely to prove a great orebody.

The lower tunnel, to cross-cut this ore 200 feet deeper, is being crowded.

Noranda Enters Kamiscotia Field

It is stated that Noranda Mines has definitely entered the Kamiscotia copper area, through the optioning of 40 claims in Jamieson-Godfrey township. The claims optioned by Noranda take in the Hill and Drew groups. A two-year option was secured. A nominal cash payment was made, and the balance is scattered over two years. Supplies and equipment are now being taken to the property, so that exploration can be started immediately the snow is off the ground. It is also understood that Toronto interests have secured an option on the Steep claims in Godfrey township.

LAKE SHORE ORE RESERVES ARE IMMENSE

Greater Than Any Other Gold Mine, Excepting Hollinger

Between $35,000,000 and $40,000,000 ore reserves in Lake Shore mine, have been indicated to the depths so far developed. This is greater than that of any other precious metal mine in the Dominion, aside from Hollinger Consolidated.

No detailed survey has been completed with which to present a full outline to shareholders, but a general checking up has been made as a guide for officials, and this has revealed the very large total mentioned. Moreover, this estimate does not take into account the further large block being developed at present in levels below th 1,000-foot horizon.

It begins to look as though the official estimate some time ago of around $3,000,000 to each 100 feet in depth on Lake Shore may have to be revised upward to around $4,000,000 for each 100 feet—possibly higher. When this is considered, it at once becomes possible to grasp the significance and possibilities of the present sinking program which is to add another 600 feet in depth to the developed section within the next few months. The three new levels, namely, 1,200, 1,400 and 1,600, might reasonably be expected to open the way to an additional $25,000,000 from Lake Shore.

A feature at present is that present production of around $10,000 every twenty-four hours—although turning out gold at around $3,600,000 a year—is only at a rate which leaves present ore reserves possibly 10 years ahead of mill requirements. Indeed, should the actual development at the three new levels disclose continuation of grade and volume of ore, there can only be one thing to expect, namely, that the coming year will have to witness preparations for a further big expansion in mill capacity.

DUPRAT CUTS INTO BIG DIABASE DYKE

Intercepted Ore Believed to be Continuation of Waite-Mont. Body

Joseph Houston, E.M., engineer in charge of the operations on Duprat Mines, Ltd., has just returned from a visit to the property and is very favorably impressed. In his report to the board of directors he states that since his last report the electrical survey has been completed and diamond drilling started on the north group. No. 1 hole was located about 400 feet west, northwest of the southeast corner of location A. 2074. It was sunk to a depth of 535 feet. At about 153 feet a section of mineralization was cut showing some disseminated copper, and at 495 to 515 feet a mineralized zone was cut giving low copper values over the whole 20 feet. The last twenty feet of the hole showed diabase. This is probably the big diabase dyke which shows on surface a short distance to the south.

Good Copper Showings

These copper indications are encouraging and have induced the company to drill further to the southwest in the hope of cutting this same zone where it will show enlargement and higher values. No. 2 hole has been located 100 feet southeast of the northwest corner of the location A. 2075, and is 600 feet southwest of hole No. 1. If this hole shows encouraging results, further drilling would be advisable. The possibilities of finding ore on this group are encouraging.

With regard to the south group, it would be also advisable to drill this section. In connection with the drilling on this part of the properties, it is very interesting to note that the American Smelting & Refining Company, who have the properties adjoining us on the south, are diamond drilling at the present time very close to the south boundary of our properties, and the results will have a very big bearing on where to locate our drilling operations."

At the present time it is impossible to state definitely whether or not the ore intercepted at a depth of 495 feet is a continuation of the Waite-Montgomery orebody, but, with the further drilling in hand and the further developments planned, the company should be in a position to know definitely in this regard in a short while. Meantime, results so far are considered satisfactory and the opinion expressed freely in the north country is that Duprat has a very big chance of ultimate success.

Silver Leaf to Resume Work

Silver Leaf will shortly resume work inasmuch as a complete and extensive new plant has been placed on the property. This work will be under the direction of H. T. Stewart, who at one time managed the famous old Crown Reserve property.

Ontario Mines Pay Heavy Dividends

Dividends and bonuses paid during the past year by gold mining companies in Ontario amounted to $9,894,132, which sum is over a million dollars in advance of the previous year. Dividends and bonuses paid by the gold mining companies of the Province during the last 15 years amounted to over 58 million dollars.

CREATE PARKS AT EXPENSE OF MINING

B. C. Protests Government Policy of Appropriating Rich Mineral Areas

VANCOUVER.—British Columbia mining men and, more recently, business men, have raised their voices in protest at what they term the alarming policy of the federal government to remove some of the richest mineral areas of the province from the mining industry by creation of national park reserves.

Without a dissenting voice the council of the Vancouver board of trade endorsed a resolution set before it by the mining men in that organization calling upon the government to relax its regulation forbidding mining in park areas.

The community at Revelstoke is reported to be entertaining a strongly sympathetic sentiment toward the application of the mining men, and the Vancouver board of trade, as a result of an instance in which money brought to British Columbia from the United States and deposited in a Vancouver bank for the acquiring and operation of a property near Revelstoke was withheld from ultimate circulation in Revelstoke by the prohibitory law on mining in a park area.

One Miner Worth 365 Tourists

A Revelstoke business man visiting Vancouver said: "One miner working in the mountains near Revelstoke is worth 365 tourists to merchants of our city. The tourist buys a meal or two, picks out some postcards and departs. The miner stays the year around, and the money he spends is the basis for permanent trade in the community."

It is argued by the advocates of a reformed law on mining in national parks that since the principal park areas of the province, Revelstoke, Glacier and Yoho, lie across one of the most important mineral belts of the province, and that since, in a number of instances, important mineral locations already have been made and money expended on development as well as in taxes, mining should be permitted "under certain reasonable regulations." Mining operations, they add, may be carried on without impairment of scenery.

Active Exploration Work Planned in Ben Nevis Iron

With the opening-up of spring, active work will be undertaken in exploring the ground staked in Ben Nevis and Clifford townships last fall for base metal. A total length of about nine miles has been staked in the two townships. To the west in Clifford the staking was cut off by sand plains and swamps. About one-half of Ben Nevis township has been staked solid.

Discoveries have been made on at least three properties in the above area, the Roach claims, Costello ground and the Brett-Snipes property. On the last-named property assays of copper as high as 14 per cent. were secured, and $2 gold on the work so far done.

Coniagas Mines have about a dozen claims either staked or under option, and will do work on them this spring. Other deals are said to be pending in the district. Offers have been received for the Brett-Snipes ground. Some trenching has been done here, and further work is now planned. Seven or eight trenches were opened up for a distance of 1,500 feet, and it is understood they all showed copper.

Porcupine Goldfields Development Co., have ground adjoining the Brett-Snipes property on the west. The necessary assessment work was carried out on this property during the winter. Other groups of claims in the Ben Nevis area on which activity is looked for this spring include the Costello, Roach and Erhardt.

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Smelters Earn More Than $24 Per Share

Working Capital Has Been Substantially Increased

LARGE WRITE-OFFS

Larger Production and Lower Costs Are Accountable for the Substantial Increase in Profits

The annual report of the Consolidated Mining and Smelting Co. for the fiscal year 1926 revealed the anticipated increase in both gross and net earnings and a remarkable and unexpected increase in the company's working capital. New profits from operations are shown at $13,915,262, after taking care of current development, depreciation on plant and other regular charges. In the balance sheet the company's properties are carried at some $350,000 lower than at the close of the preceding year. The plant account shows an increase of about $700,000. The outstanding item in the balance sheet is the increase of over $7,500,000 in bonds and other investments which are shown at cost at $12,695,691. The company's total reserves and surplus are carried on its balance sheet this year at a figure in excess of $5,000,000, over the 1925 figures.

In his remarks to the shareholders, J. J. Warren, the president, says in part:

"As shown in the comptroller's report, the prices of silver and all base metals declined during the year. Increased production and lower costs are accountable for the increase in profits. It is impossible to forecast market prices. It is not likely, though, that much higher prices than those current now will prevail during 1927.

"There have been no special developments in your mines, except that Rossland continues to be disappointing.

"Exploratory work in the phosphate beds, referred to in the report of the manager of mines, is encouraging. It is quite possible that the working of these deposits may develop into a major operation, as there is an ever-increasing demand for synthetic fertilizer, of which "phosphate" is an important component part.

"A great deal of exploration work was done and many examinations were made in different districts. So far, the results have not been encouraging or at all up to the valuations put on the prospects by their owners. Doubtless, some mines will ultimately be developed here and there, but the development work actually done by owners does not justify anything like the prices usually demanded."

Hydro Developments

Referring to the company's subsidiary, the West Kootenay Power and Light, the president says:

"Though the present capacity of the power plants at Bonnington Falls is over 90,000 horse-power, after careful consideration, your directors have authorized the development of another 60,000 horse-power.

"It is estimated that this further power will be available in two years, by which time it will be fully needed in connection with your expanded operations.

"Your directors will ask your approval of the purchase at par of the common stock of the power company to the amount of the estimated cost of the development of the additional 60,000 h.p.—$4,200,000.

Sales Increase

Production of lead and zinc last year exceeded previous records, while consumption kept pace at the same time. Regarding sales, W. S. Rugh, manager of sales, states: "The volume of our sales was very satisfactory, permitting us to close the year with practically no metal unsold in stock, notwithstanding the marked increase in annual production.

"Canadian sales showed a healthy growth. Substantial increases were reported in the Orient, and, in spite of the coal strike and other industrial difficulties, Europe purchased large quantities of metal from us.

"Prices did not fulfil the promise shown early in the year, but fluctuations were less violent than in 1925, and while the average was not as high, the year as a whole may be regarded as satisfactory to both producer and consumer.

"The outlook for 1927 is encouraging growth in the lead and zinc industry in Canada, sales for the first quarter to date showing a marked increase over last year. Heavy bookings for this period are also recorded in Europe and Japan, indicating that consumption is still running at a high rate. Quotations are lower than for the same period of 1926, but they may be considered favorable for business in general, and while we are not likely to have high peaks during the year, the average promises to be well maintained."

W. M. Archibald, manager of mines, reports that production of the Sullivan was maintained throughout the year on a 3,000 per ton day basis, although power interruptions in November and December reduced the daily average treated by the concentrator 2,964 tons for the year. Some 1,200 acres, northwest of the present productive Sullivan Mine holdings, were acquired during the year on the recommendation of the company's geologists, and the life of the mine proportionately increased provided the major extension of the ore bodies are not in some other direction.

The profit and loss figures and the working capital figures over the past three years compare as follows:

	$	$	$
	1926	1925	1924
Sales	32,650,727	28,562,065	14,377,308
Inventories	4,836,183	5,009,939	4,700,468
*Interest	361,469	......	......
Rents, etc.	117,703	94,196	25,317
Total earn.	37,966,083	33,666,201	19,103,094
On prev. year	5,009,939	4,700,468	2,021,667
Cust. ore	4,349,581	2,208,182	1,699,827
Freight	767,936	631,330	527,080
Gen. exp.	11,124,961	9,535,248	8,240,768
Develop.	595,608	588,309	440,425
Deprec.	1,354,232	1,123,757	1,051,413
Depletion	523,881	521,432	518,055
Balance	14,242,943	14,357,471	4,603,858
Bond int.	......	517,521	271,991
Other int.	23,557	......	183,291
Directors	6,130	4,725	3,600
Written off	4,321	2,653	1,800
Taxes	1,887,864	2,474,769	799,120
Net profit	12,321,069	11,215,316	3,353,055
Dividends	5,078,492	3,238,053	641,126
Balance	7,242,577	7,977,263	2,712,012
Fire ins. res.	193,669	234,679	74,151
Pension F.	100,000	200,000	......
Cont. reserve	1,000,000	1,000,000	......
Balance	5,948,907	6,542,583	2,637,860
Add. prop.	2,274,771	3,560,793	......
Surplus	3,674,135	2,981,789	2,637,860
Prev. surp.	8,723,974	5,742,185	3,104,325
P. & L. bal.	12,398,109	8,723,974	5,742,185
P.C. on stock	96.9	88.4	30.1
Per share	$24.24	$22.12	$7.83

Working Capital Position:

	$	$	$
	1926	1925	1924
Curr. assets	22,784,360	14,476,130	7,467,169
Curr. liabs.	7,890,320	6,451,425	4,943,659
Work. Cap.	14,894,040	8,024,705	2,523,510

The general balance sheet figures compare as follows:

ASSETS		
Properties	$9,697,826	$10,041,774
Plant	11,395,459	10,654,853
Ores, metals	4,836,183	5,009,939
Stores, etc.	2,447,474	2,314,541
*Advances	109,746	156,619
Accounts rec.	1,643,191	821,135
†Shareholders	1,250	......
Bonds, etc.	12,695,691	5,021,511
Cash	1,050,823	1,152,382
Defer. liabs.	44,342	40,320
Total	$43,921,989	$35,213,061
LIABILITIES		
Stock	$12,705,525	$12,675,300
Prem.	2,294,520	2,294,520
Accounts pay.	4,710,509	1,381,003
Accr. interest	......	......
Divs. pay.	3,179,811	2,916,060
Reserves	8,633,514	7,221,485
Surplus	12,398,109	8,723,974
Total	$43,921,989	$35,213,061

*—To West Kootenay Power Co.
†—Due upon shares allotted.

Staking of Claims Greatest Since 1907

Not since the busy year of 1907 has there been such prospecting activity in Ontario as there was during the past year, when no less than 13,496 mining claims were officially recorded. About half of the claims recorded were staked in the Patricia District, in the Red Lake, Woman Lake and Narrow Lake areas. There was also considerable staking for gold in the Larder Lake and other eastern mining divisions, also in the Lake Savant area in the district of Thunder Bay.

CORONA TO START ELECTRICAL SURVEY

Results of Next Few Months Should Have Big Effect on Mine

Corona Mines camp buildings have been completed and the Company now has accommodation equal to anything in that section. Mr. Houston, consulting engineer, reports that the lines have all been out preparatory to the electrical survey which is to begin right away. He adds that the indications on the southeast section of the property are most favourable and the fact that the adjoining properties namely Grover Daley, Ribago Vickers and U. S. Smelting and Refining, are diamond drilling at the present time.

Mr. Houston further draws reference to the fact that on his recent visit to Rouyn that he was informed that the C.N.R. are to build a branch line from their Rouyn line to serve Towagamac and the other properties in that neighbourhood. This line is to branch from the main line at mileage 40 and cut through the southeastern part of Corona. This will be of decided advantage in the future development of Corona.

The surface indications on Corona are similar to the original surface indications on the Horne, which is the main property of the Noranda to date and it is believed that underneath this gossan surface capping a very big body will be found and the management is hopeful that the electrical survey will point the way to where diamond drilling should be carried out to the best advantage. The treasury of the Company is amply financed for all these developments.

The results of the next few months developments should have a very big effect on the future of Corona.

Coniaurum Consider Capital Increase

A special general meeting will be held on April 6th after the annual meeting of Coniaurum Mines, Limited, to pass a by-law, calling for an increase in the company's capital from five to six million dollars by the creation of 200,000 additional shares of the par value of $5 each and providing for the issue and allotment of such new shares in such manner and proposition as the directors see fit.

This signified intention of Coniaurum of raising further moneys by an increase in capital is believed to be for the purpose of building a mill.

FLIN FLON TEST PLANT OPERATING

Results Encouraging so Far—Success of Project Means Much to Area

Satisfactory results are being obtained by the 25-ton flotation cyanide test plant installed at the Flin Flon mine during the winter.

The test plant will carry out a process perfected in mineralogy laboratories at Denver for the extraction of copper and zinc from the ore, and if it proves successful in practice, a plant will be built to carry on the work on a commercial scale. Only a small amount of concentrates will be shipped from the mine this summer, and the results of the test plant will not be made public until next October.

If the project proves successful it will mean much to Northern Manitoba. The building of a railway to this district is dependent on the success of the test.

At present two "snowmobiles" are operating between the Flin Flon and The Pas, carrying supplies to the 90 men who are operating the test plant. These vehicles will be used until early in April when the break up of the ice will cut off communication with the mine for about five weeks. During the summer the only means of reaching the mine will be by boat. Complete receiving and broadcasting radio stations at both the mine and The Pas keep the Flin Flon in close touch with the outside world.

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DESTOR MINES LIMITED

Progress Report!

Maurice Archambeault, consulting engineer, has just made the first of his weekly trips to the Destor Mines property.

His important first report on the work done, and to be done at the property, is expected at any moment.

This report, following the recent satisfactory assays of sample ore, is awaited with keen interest.

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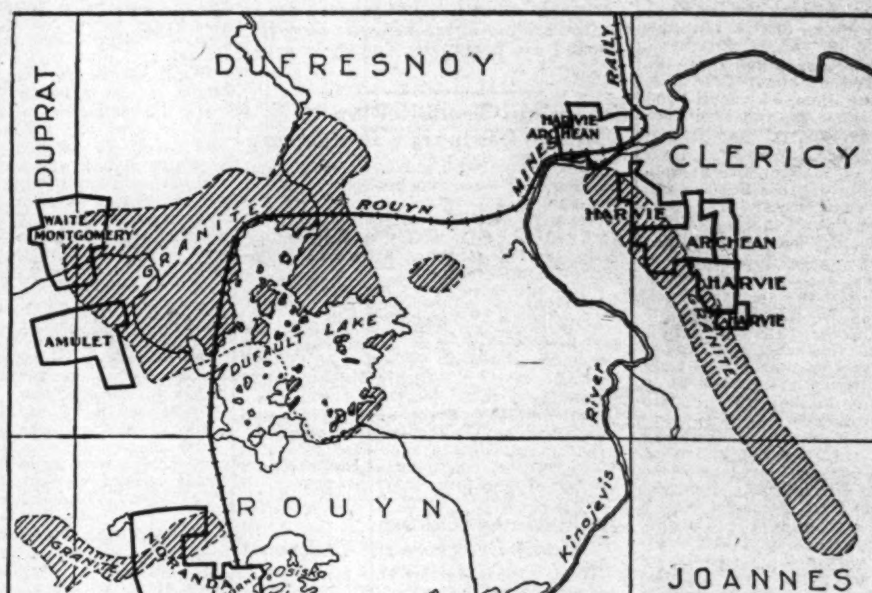

ROUYN MINING AREA, showing relation of several principal operations to the margin of Granite Areas and to Railway Transportation.

OWING to the widespread demand for authoritative information on this company, a special memorandum has been prepared covering field operations, financial plans, etc. Copies will be gladly furnished on request to .

HARVIE SMITH & CO., LIMITED
New Birks Building, Montreal

Jones on Beer Board May Mean Big Orders to "Cement's" Subsidiary

Consumers' Glass, Controlled by Canada Cement, Should Obtain Substantial Bottle Orders from National Breweries—Will Ultimately Benefit "Cement"

From Our Own Correspondent.

MONTREAL.—There are several reasons for the steady exhibition of strength which the shares of the Canada Cement Company are displaying. The stock is very closely held and any real demand for the issue naturally tends to increase its market price. Then again, too, the inherent strength of the company, coupled with its potentialities, makes the shares an exceptionally attractive long hold proposition with the result that substantial price increases in the stock do not necessarily make the shareholders more inclined to part with their holdings.

The present rise in the shares has been coupled with rumors of the Canada Cement Company arriving at some rapprochement with the National Cement Company, and an ultimate increase in the price of cement in the province of Quebec. But such rumors appear to have no foundation on fact. The present buying of the stock is being done by those who are willing to wait until 1929 when the company will retire its bond indebtedness and when it is thought further consideration will be given the shareholders.

Jones's Appointment

The recent appointment of Frank P. Jones, president of Canada Cement, to the board of the National Breweries has been taken as a bullish factor on the outlook for the latter company—but perhaps it is equally as satisfactory when viewed from the angle of the shareholder in the Canada Cement Company, for the latter controls the Consumers' Glass and has a very large investment in this subsidiary.

With Frank P. Jones now on the National Breweries board it may be presumed that other glass companies will have more than a hard time in selling bottles to the National Breweries. In other words it pretty well looks as if the Consumers' Glass has the National Breweries business signed, sealed and delivered. As the National Breweries is the predominant beer producer in the province of Quebec, it can be seen if Consumers' Glass obtains the orders for National Breweries' beer bottles that such a contract would provide a not insubstantial load on its output which could hardly fail but to increase earnings.

Any increase in earnings of the Consumers' Glass must ultimately, of course, be reflected in the earnings of the Canada Cement. While the earnings from this subsidiary are but a small factor in the earnings of the parent company, yet the situation surrounding Mr. Jones' appointment to the National Breweries board provides the Canada Cement shareholders with food for thought on the aggressiveness of their management which can turn its hand from the production of cement to the profitable production of glass.

Cement's Large Investments

The monthly market letter published by the brokerage house of Craig Luther and Irvine has this to say on Canada Cement's investment account:

"One other favorable factor in earnings was a considerable increase in the return from 'investments.' This amounted to $697,041, and in reference to this amount, the president, Frank P. Jones, declared that there was every prospect of this class of income continuing to increase. This is a most encouraging condition, taken in conjunction with the fact that the total of 'investments' has grown since 1917 from $914,442 to $7,318,543 at the end of 1926. Too much emphasis from the investment standpoint can hardly be placed on this condition. These 'investments'—a large portion of which are high-grade bonds—represent even at the extremely conservative valuation that the company makes almost 60 per cent. of the entire common stock outstanding, and a revenue of nearly $700,000 per year represents over 5 per cent. on this common stock. That is, the return from 'investments' alone during 1926 came within $115,000 of meeting the entire dividend required for the common stock, and it should not be long until the shareholders can count upon the entire 6 per cent. being provided by the return from 'investments.'"

Letters to the Editor

Error in Prospectus

Editor, Financial Post:—My attention has been called to an article appearing in your issue of March 11th, entitled Promoters of Elevator for Kamloops Promise Big Profits. While I have no fault to find with the article as a whole, will you allow me to explain certain points which your editor has evidently missed. In the first place, the copy of our circular which you got was one of the uncorrected copies in which a typographical error occurred on the last page under paragraph 4 of "Advantages," where the estimated total of shrinkage and dockage appeared as 9,000 tons instead of 900 tons. A perusal of the whole circular, however, makes this mistake apparent as such.

Regarding your paragraph under subtitle "Promoters get Twenty-five Per Cent.," may I suggest that this is not a very fair presentation of the case. $25 must be collected from each subscriber for every share subscribed, so that in order to gather $140,000—the $20 per share on 7,000—$175,000 will have to be collected, $35,000 of which represents the premium and the only part which may be looked upon as promoters' share or commission, and this is only 20 per cent. and not 25 per cent.

Handling 1,500,000 bushels of grain as a minimum, I may state that this is for the grain handling season of six months, and the elevator, when finished, could handle considerably more than pointed out in the circular.

"Legitimately carried on the grain business offers positively no risk of loss." This is a very fair statement of the grain trade, as the writer knows it, as each bushel purchased by a grain firm has to be hedged on the day of purchase, the profits to be derived therefrom have to be made between the seller and the purchaser on the same day as bought.

The intention is to use the $35,000 working capital in the purchase of rejected, smutty, tough and damp grain. This will be treated and shipped out as contract grades; an every-day transaction in the grain business. There is no speculation in this, but on the other hand, it is a very legitimate business.

As regards the mixing of grades, the writer has had considerable experience, having been in the mixing house in Winnipeg some 24 years ago when grades allowed a much narrower spread than they do now, and on which dividends were paid on this class of business alone.

Taking into consideration cancellations which can be secured under the Canada Grain Act, through the Board of Railway Commissioners, we have the privilege of stopping the grain at Kamloops at 1 cent per hundred, this being the central distributing point for Central British Columbia, and the home of hundreds of small fruit growers and chicken raisers, which offers us a very good market for our by-products.

In conclusion I might state that we have advantageous offers from different points on the Pacific coast, as well as from Kamloops, and it will be up to the company, when organized, to finally decide upon the location of the elevator.

Wm. C. MacLean,
North-West Grain Company,
Edmonton.

Fortunes Are Lost Through Neglect

FORTUNES are built up through hard work, patience and ability and are lost literally overnight through neglect and unwise investment decisions. Ordinary prudence demands the protection which we provide to small and large investor alike, through our Supervisory Service and our Weekly Letter Service with consultation privilege. Details on request.

MOODY'S INVESTORS SERVICE
35 Nassau Street New York
CHICAGO PHILADELPHIA BOSTON LOS ANGELES

Wm. A. Rogers, Limited

ANNUAL REPORT FOR THE YEAR ENDING DECEMBER 31, 1926

Statement of Profit and Loss.

Profits for the year before providing for Depreciation and Federal Taxes		$271,211.76
Deduct:		
Provision for Depreciation of Plants		111,175.20
Net Profits before Federal Taxes		$160,036.56
Deduct:		
Provision for Federal Taxes payable in 1927 on 1926 earnings		21,000.00
Net Profits for year		$139,036.56
Dividends:		
Dividends on Preference Stock for the Current Year at the rate of 7% per annum	$78,596.00	
Dividend on Preference Stock of 1¾% on account of arrears	19,649.00	
		98,245.00
Balance of Profits		$ 40,791.56
Profit and Loss Balance forward from 1925		93,114.78
Profit and Loss Balance forward to 1927		$133,906.34

Statement of Assets and Liabilities—December 31st, 1926

ASSETS

Real Estate and Buildings		$ 524,480.85	
Property purchased for Employees	$18,769.37		
Less Mortgages thereon	5,218.44		
		13,550.93	
Plant, Machinery and Equipment		1,082,368.08	
Investments in other Companies		235,901.00	
			$1,856,300.86
Trademarks and Goodwill			850,000.00
Prepaid Expense		$ 41,109.28	
Discount on Securities Sold		6,625.10	
			47,734.38
Merchandise		$1,498,026.76	
Accounts and Bills Receivable		630,130.51	
Cash at Banks and on Hand		185,156.01	
			2,313,313,28
			$5,067,348.52

LIABILITIES

Capital Stock Issued:			
7% Cumulative Preference Stock	$1,122,800.00		
11,228 Shares of a par value of $100 each.			
Ordinary Stock	1,500,000.00		
15,000 Shares of a par value of $100 each		$2,622,800.00	
Six Per Cent. Serial Bonds Outstanding		265,000.00	
			$2,887,800.00
Dividends on Preference Stock, Payable January 8, 1927		$ 39,298.00	
Accounts and Bills Payable		608,939.70	
Accrued Interest on Bonds		6,625.00	
			654,862.70
Reserve for Federal Taxes			50,758.77
Reserve for Depreciation			975,020.71
Surplus:			
General Reserve		$ 365,000.00	
Profit and Loss Account		133,906.34	
			498,906.34
			$5,067,348.52

AUDITORS' CERTIFICATE

We certify that the above Statement of Assets and Liabilities is in accordance with the books of Wm. A. Rogers, Limited, and in our opinion correctly states the position of the Company.

CLARKSON, GORDON & DILWORTH, Chartered Accountants.

Board of Directors:—S. J. Moore, W. D. Ross, E. G. Baker, R. E. Sage, H. S. Duell, C. W. Colby, A. E. Ames. Officers—S. J. Moore, President; E. G. Baker, Vice-President; R. E. Sage, General Manager; W. N. McLeod, Secretary; T. S. Duncanson, Assistant Secretary.

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(The collated register of British investors)

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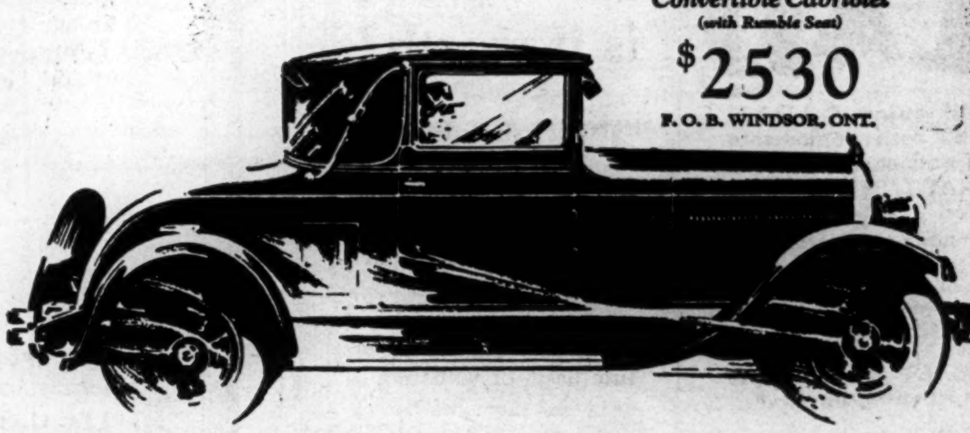
THE CANADIAN-BUILT CHRYSLER FOR CANADIANS

The New 2-Passenger Convertible Cabriolet
(with Rumble Seat)
$2530
F. O. B. WINDSOR, ONT.



Upsetting All Ideas of Motor Car Beauty

The real reason for the remarkable interest aroused by the *new, finer* Chrysler "70" is the quick recognition that here is a car whose newer smartness and beauty establish a vogue in motoring design even more emphatic than that of the first Chrysler of three years ago.

Finer, more exquisitely graceful bodies—finer, more distinctive silhouette with military front and cadet visor—finer design with smaller wheels—greater luxury of comfort—greater riding ease—rich upholstery—greater perfection of appointment—more refinements in controls and lighting with a lock conveniently placed on the dash—more attractive color blendings far in advance of current harmonies.

Combined with this newer standard of appearance is the same performance whose sheer speed and power, flexibility, economy, dependability and long life have been a never-ending marvel and delight to the hundreds of thousands of enthusiastic owners.

• • •

Phaeton $2010; Sport Phaeton $2130; Roadster $2130; Brougham $2205; Royal Coupe $2230; Royal Sedan $2305; Four-Passenger Coupe $2305; Cabriolet $2530; Crown Sedan $2590.

f. o. b. Windsor, Ontario (freight only to be added). Above prices include all taxes, bumpers front and rear, spare tire, tire cover and tank full of gasoline.

All Chrysler cars are protected against theft under the Fedco System.

All Chrysler dealers are in position to extend the convenience of time payments. Ask about Chrysler's attractive plan. 761

CHRYSLER CORPORATION OF CANADA, LIMITED, WINDSOR, ONT.
WALTER P. CHRYSLER, *Chairman of the Board*

Shawinigan Power Has Been Highly Profitable Canadian Investment

Last Five Years Have Been Good for Shareholders, and Next Few Years Are Just as Promising

An ordinary stock which has proven very profitable to its holders is that of the Shawinigan Watern & Power Co. The reason for the rapid rise in the price last year may have been traceable to rumors of a split in the stock, but the underlying cause of appreciation in values was the great growth in earnings of the company and the strong financial position achieved and maintained.

In 1921, the Shawinigan surplus, after bond interest and dividends, was $190,813. In 1926, the balance was $557,324. The surplus was increasing from year to year, despite the fact that dividends were $2,050,000 in 1926, compared with $1,676,250 in 1925 and $1,400,000 yearly for the previous several years. In 1926, Shawinigan's net earnings, after payment of operating expenses, were $200,000 greater than the gross revenue of the company in 1921.

Promises Well

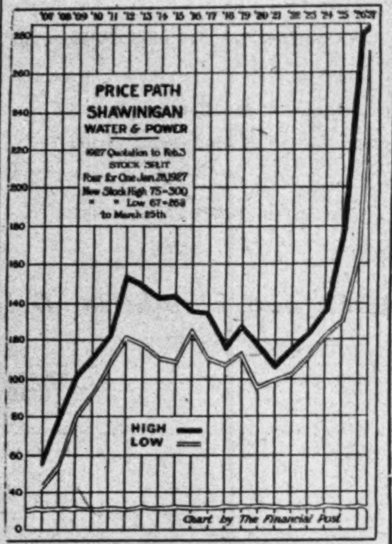
Noting the rapid rise in the value of Shawinigan stock for two years prior to the split in the stock, the ordinary investor may wonder if the future has not been largely discounted by the stock market. While every good common stock is inclined to sell above its immediate worth, judging merely by current yield, this discount of the future, while discouraging to stock-market manipulation, is just a confirmation of the judgment of the investor who buys the stock to keep.

There is no reason to believe that the next five years will be any the less profitable for Shawinigan and its shareholders than the last five years have been. In fact, there was more reason for pessimism in 1921 than in 1926 or 1927. In 1921, the deflation era had just set in, and observers were certain that Canada was in for a period of prolonged depression, with the probability that political conditions would make it possible materially to reduce taxation. There were many conditions which cast gloom over many enterprises in the Dominion.

Canada Gets Its Stride

In 1926 and 1927, on the contrary, Canada at last began to make strong strides in the direction of national prosperity and internal growth. The demand for hydro-electric power was never so great and the gradual recession in the prices of commodities which hydro-electric companies buy makes for cheaper installations and lower costs of generating and distributing electricity.

Shawinigan, besides being a producer and wholesaler of electric current, is in the nature of a holding company. The subsidiaries as well as the parent company are increasing their earnings. The stock is promising as an investment.



ALLOW ONE YEAR BETWEEN OLD AND NEW B.C. TAXES

Surprise Package Handed Business Men by Government of Coast Province

From Our Own Correspondent.

VANCOUVER.—With no flourishing gesture—in fact without even the customary formal announcement in the legislature or through the press—the government of British Columbia has, wholly of its own volition, presented to British Columbia manufacturers and merchants the amount of their personal property tax for 1926.

More than a week after the close of the legislature the news leaked out that amendments to the taxation act, in practice, would result in the government waiving its right to collect personal property tax from firms for the fiscal year any part of which fell in 1926.

The new turnover or gross income tax of a tenth of 1 per cent. does not come into effect until six months after the end of the taxpayers' fiscal year 1926.

C. B. Peterson, taxation expert for the provincial government, says that it is the purpose of the government to allow business firms of the province one full year clear of all but ordinary income tax.

The tax on net income goes on as usual. The new taxation system will not replace it but will be supplementary to it.

It is not yet known how the business communities of British Columbia will react to the tax on gross income.

When first proposed, the plan was definitely opposed by the Vancouver Board of Trade and the British Columbia Branch of the Canadian Manufacturers' Association. That opposition has not been withdrawn, but it is not militant at present. Until a report is received from a competent legal authority as to the constitutionality or otherwise of the new levy no test case will be brought.

Local advisers of the Vancouver Board of Trade have stated that the levy will be an idirect form of taxation and as such will be ultra vires under the terms of the British North America Act.

It was sponsored by the Minister of Finance and advanced as a substitute for the personal property tax. Mr. Peterson and Dr. McLean, Minister of Finance, are reported to have said that the reason the government gave no publicity to its intention to make cancellation of the personal property tax retroactive was because they did not wish to appear to be buying favor for the gross income tax.

The government's defeat in court in the fuel oil tax case, which was one to determine the right of the province to levy an "indirect" tax on fuel oil, is seen as a further menace to the safety of the newly-adopted system of deriving revenue from business.

ORE RECEIPTS AT TRAIL

Ore receipts at Trail Smelter of the Consolidated Mining and Smelting Co. from March 15 to 21, inclusive, and from Jan. 19 to date, in tons, are as follows:

Company's mines	6,979	102,639
Other mines	3,927	39,333
	10,906	141,972

Standard Lime Rock Stock Being Sold by Shifflet Cumber

Shifflet, Cumber & Co., of Toronto and New York, are making a public offering of 1,500 shares of the 8 per cent cumulative Sinking Fund preferred stock of the Standard Lime Rock Co., of Ocala, Inc. This company is incorporated under the Blue Sky Laws of Ohio. The preferred, which is redeemable at 110, is being offered at par to yield 8 per cent. and each share of preferred stock carries a bonus of 1 share of common stock of no par value.

The company owns extensive lime rock properties located near Ocala, Florida, including quarries and extensive equipment now in operation. This lime rock, of which it is estimated by drilling operations, contains over 3,000,000 tons, must be used as the basis of road making under state and municipal regulations in Florida, for which this particular rock is particularly suited.

The quarries are favorably located to supply large available markets in Florida and they have the advantage of preferential freight rates over sources of supply outside the state, which makes it almost prohibitive to ship this rock into Florida. The capitalization of the company is 2,500 shares preferred authorized and outstanding, and 10,000 shares of common stock.

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T. A. RUSSELL— President, Russell Motor Car Co., Ltd.; Director, Canadian Bank of Commerce.
H. B. SMITH— President, Collingwood Shipbuilding Co., Ltd.; Director, Canada Steamship Lines, Ltd.
F. BARRY HAYES— President, Toronto Carpet Mfg. Co., Ltd.; Director, Toronto General Trusts Corpn.
Government, Municipal, Real Estate and Corporation Bonds

NEW ISSUE

$600,000

Garment Centre Capitol, Inc.

HERMES BUILDING

6½% Fifteen Year First Mortgage Sinking Fund Gold Bonds

Date of Issue: 1st March, 1927 **Date of Maturity: 1st March, 1942**

Principal and half-yearly interest coupons (September 1st and March 1st) payable at The Bank of Montreal, in Montreal, Quebec or Toronto, at the bearer's option. Coupon Bonds of $1,000, $500 and $100 registrable as to principal. They will be redeemable as a whole on any interest date upon three months' public notice, at 103 through March 1, 1932; thereafter at 102 through March 1, 1937; thereafter and prior to maturity at 101; accrued interest to be included in all cases.

TRUSTEE: THE ROYAL TRUST COMPANY

THE COMPANY.—The Company will be incorporated under the Province of Quebec laws. On completion of financing under progress, the Company's capitalization will be as follows:

	Authorized	Outstanding
6½% First Mortgage Gold Bonds due 1942........................	$600,000	$600,000
7% General Mortgage Bonds due 1937........................	50,000	50,000
Common Shares........................	400,000	363,000

PURPOSE OF THE BOND ISSUE.—The proceeds of these bonds will be used by the Company to provide a portion of the cost of an eleven-storey modern Store, Office and Loft Building,—bearing the name of HERMES BUILDING,—to be erected on the south-west corner of Peel and Burnside streets.

SINKING FUND.—The indenture, under which these bonds will be issued, will provide for a sinking fund sufficient to retire 40% of the entire issue by maturity. The annual sinking fund payments will start on the 1st of February, 1931, and will progressively increase from an initial payment to the Trustee of $14,000 to the final payment of $27,500 on the 1st of February, 1942, leaving a net amount of $360,000 of bonds to redeem at maturity, on the 1st of March, 1942.

SECURITY.—These bonds will be secured by first, closed, mortgage, hypothec and charge on the land and the building and equipment to be erected thereon. Payment of the principal and interest will be further secured by the creation of a first charge on the net revenue to be derived from the property.

PROPERTY.—The new building will be located only one block distant from one of the most valuable and busiest corners of Montreal, Peel and Ste. Catherine streets, and nearly opposite to the largest and newest of the City's hotels, the Mount-Royal. It will be ideally situated for the purpose for which it is intended. The building has been designed in the Northern Italian style, with careful attention to its exterior appearance, the first three storeys above the street being faced with stone and the eight storeys above treated with a specially selected face brick of pleasing colour with stone trim to openings, arched heads to the ninth floor windows and a corbelled brick treatment in the Italian style at the top of the building. The main entrance has ornamental stone trim around the door opening and both street fronts have show windows to the stores with ornamental iron frames around each opening, as well as the usual copper show window frames.

APPRAISAL.—Valuation of the land on which the new Store, Office and Loft Building is to be erected has been certified by The Cradock Simpson Company, Real Estate Brokers, Montreal, under date of 11th February, 1927, as........................	$ 290,000
Valuation of the new Store, Office and Loft Building and equipment, when completed, has been certified by Mr. Arthur Surveyer, C.E., Montreal, under date of 14th February, 1927, as........................	723,000
Total Property Valuation........................	$1,013,000
Total First Mortgage Bond Issue........................	600,000
Equity in excess of First Mortgage Bonds........................	$ 413,000

ESTIMATE OF EARNINGS.—Mr. Arthur Surveyer, C.E., estimated that the net earnings available for interest, for the first full year of operation, should be twice the interest charges of the bond issue.

LEGALITY.—The titles to properties have been approved by Mtre R. Faribault, N.P., and all legal proceedings incidental to the issue of these bonds have been approved by Messrs. McGibbon, Mitchell, Casgrain, McDougall & Stairs.

INSURANCE.—The Trust Deed securing the bond issue, will provide that the building shall be insured with companies members of the Canadian Fire Underwriters Association, to its full insurable value.

CONTRACTORS' GUARANTEE.—Completion, equipment and delivery of the building free from all liens, will be guaranteed by the Guarantee Bond of the Contractors, which shall be assigned to the Trustee for the bondholders.

TRUSTEE.—The Royal Trust Company will act as Trustee and Transfer Agents for the bondholders.

We offer these Bonds for delivery when, as and if issued and received by us, and subject to the approval of our Counsel. It is anticipated that temporary Debentures or Interim Receipts will be available for delivery on or about April 15th, 1927.

PRICE: 99 and interest to yield 6.60%

René-T. Leclerc, inc.
Montreal: 160 St. James St.
Quebec: 71 St. Peter St.

Geoffrion & Co.
Montreal: 101 Notre Dame St. West
Ottawa: 18 Elgin St.

The statements contained in this circular are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Preliminary and Managing Cost Low in Investment Trusts

Tenth Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS, of A. E. Ames & Co., Toronto. Copyright, 1927.

The cost of management and overhead of an investment trust seems, to anyone investigating for the first time, to be incredibly small, considering the large aggregate of investments handled and the calibre of the men associated with these institutions. Roughly, the cost might be said to average approximately half of 1 per cent. per annum of the capitalization.

At the time of organization, it is the usual custom in Great Britain to make some provision in the Articles of Association which will keep the costs within easy control by defining the limits of expenditures and what these expenditures are supposed to cover. Taking a recent prospectus as an example, we find among the sections covering the cost of management the following, which is taken from the prospectus of the Scottish & Southern Counties Investment Trust, issued on December 9, 1926:

"For meeting the management expenses of the company (as hereinafter defined) during each financial year, the directors shall set aside a sum equal to one-half of one per cent. on the first one million pounds of paid-up share capital, reserves, and borrowed moneys as appearing in the balance sheet at the end of such year, and to one-quarter of one per cent. on all amounts in excess of one million pounds of paid-up share capital, reserves, and borrowed moneys, as aforesaid, and so in proportion for any period other than a complete year for which the company's accounts are made up, and no management expenses in excess of the sums so set aside shall be incurred by the directors without the authority or sanction of the company in general meeting.

Remuneration for Directors

"Out of the sum so set aside in each financial year, or period, the directors shall meet and discharge all the management expenses of the company during such year or period, including the remuneration of the directors, who shall be entitled to receive as their remuneration for their service during each year or period any balance so set aside remaining after payment of all other management expenses, but so that the company in general meeting may at any time vote the directors further remuneration for their services. Such remuneration shall be divided between the directors in such proportions and manner as sum or salary or commission or otherwise) as they may think reasonable.

"A managing director or manager shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the directors may from time to time determine."

Estimate Preliminary Expenses

Not only does this section cover the cost of management as a whole, but in addition it designates the remuneration of directors and also gives a fairly precise definition of management expenses. In addition to covering these situations, the prospectuses of newly organized companies usually cover the subject of "preliminary expenses" of organization. This is brought out in the following section, which is quoted from the same prospectus, and is taken as typical of all:

"The preliminary expenses incidental to the formation and flotation of the company, including legal expenses, registration fees, printing and advertising, but exclusive of brokerage, and the expenses of stamping and issuing allotment letters, are estimated to amount to about £10,250, of which £6.050 represents capital duty and registration fees, and will be paid by the company.

"No portion of this issue has been, or will be, underwritten, and no promotion money has been, or will be, paid.

"A fee of 600 guineas will be paid to the company's brokers, ...

"The company will pay a brokerage of 3d. per share.

Allowances in New Companies

In order to obtain as accurate and definite a picture as possible of the practice followed in Great Britain in reference to the provision made at the time of organization for management expenses and incidentally to arrive at some conclusion as to the average cost of organization of investment trust companies, I have examined the prospectuses of new companies organized since 1913. Many of these permit of summarization. In the table below will be found information relating to the dates of organization; the amounts of common, ordinary or deferred stocks offered; the estimate of preliminary expenses and remarks relating to the remuneration of the directors and the costs of management as far as these permit of such tabulation.

Name of Company	Offered	Amount of Ordinary or Deferred Stock Offered	Estimated Preliminary Expenses	Remarks on Annual Remuneration for Directors or Management
Clydesdale Investment Co., Ltd. ..	1913	£ 500,000	£6,000	£2,000 annually for directors but 1st year £1,000; 2nd £1,250; 3rd £1,500.
The General Scottish Trust, Ltd.....	1914	250,000	2,000	As determined at general meeting.
British Reserve Trust Co., Ltd.......	1914	500,000	3,000	£150 for each director; £200 for chairman.
Union Commercial Invest. Co., Ltd..	1914	250,000	1,600	£500 for all directors; £150 additional for each £100,000 capital in excess of £100,000.
Petroleum Power Invest. Corp., Ltd.	1914	1,000,000	3,000	Each director £250; chairman £500; also 5% or residue of annual net profits after payment of dividends.
Anglo Scottish Trust, Ltd.	1920	250,000	10,000	Directors £300 per annum, also 5% of net after payment of 7% dividend on ordinary shares outstanding.
The Second Mercantile Trust, Ltd...	1923	1,000,000	17,500	½ of 1% on original capital and ¼ of 1% on debenture capital and shares in excess of first million £. Directors receive balance after paying all expenses.
The Stockholders Invest. Trust, Ltd.	1924	600,000	8,500	½ of 1% of present nominal capital, ¼ of 1% on debenture capital or additional capital and on reserves.
The Second Guardian Trust, Ltd.....	1924	500,000	8,000	½ of 1% on the company's issued stock and debenture capital.
The Scottish National Trust Co., Ltd.	1924	500,000	12,000	£2,000 per annum to be divided at discretion of directors; £1,250 in first three years.
Scottish United Investors, Ltd.......	1924	800,000	16,000	½ of 1% on present capital. Directors to receive any surplus after management costs.
Second Consolidated Trust, Ltd......	1925	500,000	10,000	£1,000 per annum and £300 for each further £100,000 of paid up capital in excess of £100,000.
The Charterhouse Invest., Tr., Ltd...	1925	300,000	7,000	£150 for each director and 5% of net after dividend to be divided in way agreed.
Anglo Celtic Trust, Ltd.	1925	1,000,000	14,000	½ of 1% on £1,000,000 and ¼ of 1% on excess.
Produce & Gen. Investment, Ltd....	1926	80,000	3,500	Directors £200; chairman £250; also 5% on net after payment of 10% dividends not exceeding £2,500.
Guild Hall Trust, Ltd.	1926	25,000	950	Directors' remuneration to be determined at general meetings.
The Third Scottish West. Inv'st., Ltd.	1926	500,000	12,000	£2,000 per annum for directors.
Second American Trust, Ltd........	1926	600,000	10,800	½ of 1% on first million £ on paid shares, reserves, borrowed money and ¼ on anything above for all expenses.
The Grange Trust, Limited	1926	400,000	5,902	½ of 1% of the subscribed share capital and loans outstanding.
London Irish Trust, Ltd.............	1926	500,000	10,000	For directors £400 and £600 for chairman.
The Scottish & Southern Counties Investment Trust, Ltd.	1926	600,000	10,250	½ of 1% share capital, reserves and borrowed money on first million £ and ¼ in excess.
Twenty-one companies total.............		£10,655,000	£172,002	
Average		507,333	8,190	
Or very roughly, in dollars..............		$2,500,000	$40,000	and say $12,500.

they may agree, and, failing agreement, equally.

"In addition to their remuneration, the directors shall be repaid their traveling, hotel, and other expenses properly incurred in attending and returning from board and general meetings.

"For the purposes of this article, the expression 'management expenses' shall mean and include rent of offices, rates, stationery and other ordinary office expenses, salaries of, and remuneration to, the secretary, managers, clerks, and other employees, directors' ordinary remuneration, and, generally, all ordinary management and administrative expenses of the company, but shall not include directors' traveling, hotel and other expenses, auditors' fees, legal expenses, commissions or brokerage payable on purchases, sales or changes of securities and investments, cables, income-tax, or other taxes.

Ssepcial Services Are Rewarded

"The directors may pay to any director who has performed, or may have agreed to perform, services which in the opinion of the board are beyond the ordinary services of a director such remuneration (whether by way of a lump

It will be noted that these data relate to twenty-one newly organized companies issuing in the aggregate £10,655,000 of ordinary or deferred stock. The preliminary expenses in this connection aggregated £172,002. The average of ordinary stock offered at the time of organization amounted to £507,333, while the average of preliminary expenses was £8,190. In reading the remarks relating to the management expenses, the thing which strikes one is the frequency with which the provision of "one-half of one per cent. on present capitalization and one-quarter of one per cent. on additional capital" appears. In many cases, there are specific amounts desigated as remuneration for the directors while in other cases, the prevailing practice seems to be that the directors are to receive any balance remaining after management expenses have been met out of the "one-half of one per cent. and one-quarter of one per cent." as provided in so many cases. Roughly, the average practice in Great Britain might be said to approximate the following when translated into dollars:

> Average size of new issues of newly organized companies is about $2,500,000. Preliminary expenses average about $40,000 or about 1¾ per cent. to 2 per cent. of the size of the offering. Average cost of management very roughly is about $12,500 or one-half of one per cent. on the capitalization.

As regards the actual cost of management and operation, of investment trusts, the annual reports of some of these organizations reveal the situation clearly. When results of the English companies are compared with the results of the Scottish companies, the economical characteristics attributed to the Scotch seem to be fully justified. In the compilations below, the results of the twenty-three leading English companies are compared with the results attained by twenty-one leading Scottish companies. The accompanying tables are very interesting and warrant close inspection.

Cost of Management of English Investment Trusts

	Company	Year	Total Capital	Expenses	% of Capital
1.	American Invest. and Gen. Trust Co., Ltd.....	1924-23	£ 2,000,000	£ 6,112	.31
2.	Army and Navy Investment Trust Co., Ltd...	1923-24	960,000	4,589	.48
3.	Bankers' Investment Trust, Ltd.	1924-25	2,700,000	9,675	.36
4.	Charter Trust & Agency, Ltd.	1923-24	1,089,670	7,305	.67
5.	Foreign, American & Gen. Invest. Tr. Co., Ltd.	1924-25	2,000,000	6,290	.31
6.	Foreign & Colonial Invest. Tr. Co., Ltd.	1924-25	2,356,747 /5	9,431	.40
7.	General & Commercial Invest. Tr., Ltd......	1924-25	900,000	6,336	.70
8.	General Investors & Trustees, Ltd...........	1924-25	800,000	16,074	2.01
9.	Government Stock & Other Sec. Invest. Co. ..	1924	1,850,000	9,407	.51
10.	Guardian Investment Trust Co., Ltd.	1924-25	1,120,000	4,404	.39
11.	Industrial & General Trust, Ltd.	1924-25	5,000,000	32,625	.65
12.	International Investment Trust, Ltd.	1924-25	1,750,000	8,312	.47
13.	Investment Trust Corporation, Ltd.	1924-25	4,600,000	14,791	.32
14.	London and New York Invest. Corp., Ltd. ...	1923-24	684,500	3,101	.45
15.	London Scottish American Trust, Ltd.	1923-24	1,632,197	10,032	.61
16.	London Trust Co., Ltd.	1924-25	1,987,856	11,504	.58
17.	Mercantile Invest. & General Trust Co.	1924-25	6,000,000	15,453	.26
18.	Merchants Trust Co., Ltd.	1924-25	2,705,000	12,500	.46
19.	Metropolitan Trust Co., Ltd.	1924-25	2,000,000	8,596	.43
20.	Omnium Investment Co., Ltd.	1924	1,658,960	8,769	.53
21.	Sterling Trust, Ltd.	1924	3,857,893	10,199	.26
22.	U. S. & South Amer. Invest Trust Co., Ltd.	1924-25	1,810,408	5,744	.32
23.	Witan Investment Co., Ltd.	1924-25	2,200,000	6,888	.31
	Summary	1924-25	£51,663,231 5/	£228,147	.44
		1923-24	50,353,206 5/	209,795	.42
	Increase		£ 1,310,025	£ 18,352	.02

A reference to the table above shows that the average cost of management of all companies in 1923-24 was .42 per cent. of the total capital, while in 1924-25 there was a slight increase to .44 per cent. The Mercantile Investment & General Trust Co., the largest of the English investment trusts, organized in 1884, reported the lowest costs with .26 per cent., while the General Investors and Trustees, report the highest with 2.01 per cent., an extraordinary and exceptional figure. Below are given the figures relating to the Scottish investment trusts.

Cost of Management Scottish Investment Trusts

	Company	Year	Total Capital	Expenses	% of Capital
1.	Alliance Trust Co., Ltd.....................	1924-25	£ 5,050,828	£ 19,299	.38
2.	American Trust Co., Ltd.	1924-25	781,413	3,556	.46
3.	British Canadian Trust, Ltd.	1923-24	516,589	1,683	.33
4.	British Investment Trust, Ltd.	1924-25	4,000,000	11,559	.29
5.	Caledonian Trust Co., Ltd.	1924-25	2,033,600	5,439	.27
6.	Clydesdale Investment Co., Ltd.	1923-24	1,095,404	4,337	.40
7.	East of Scotland Trust, Ltd.	1923-24	276,479	1,643	.59
8.	Edinburgh Investment Trust, Ltd.	1924-25	1,240,000	4,600	.37
9.	First Scottish American Trust Co., Ltd.	1924-25	580,000	2,720	.47
10.	Northern American Trust Co., Ltd.	1923-24	2,259,915	6,686	.30
11.	Scottish American Investment Co., Ltd.	1924	3,663,284	14,150	.39
12.	Scottish Investment Trust Co., Ltd.	1923-24	771,200	4,493	.58
13.	Scottish Northern Investment Trust, Ltd.	1924-25	1,006,950	4,106	.41
14.	Scottish Western Investment Co., Ltd.	1924-25	2,044,650	6,289	.31
15.	Second Edinburgh Investment Trust, Ltd....	1923-24	950,000	4,855	.51
16.	Second Scottish American Trust Co., Ltd.	1924-25	792,000	3,691	.47
17.	Second Scottish Investment Trust Co.	1923-24	1,507,000	7,436	.49
18.	Second Scottish North. Investment Trust, Ltd.	1924-25	1,001,730	4,191	.42
19.	Third Edinburgh Investment Trust, Ltd.	1923-24	570,000	2,834	.50
20.	Third Scottish American Trust Co., Ltd.	1923-24	773,500	3,637	.47
21.	United States Investment Corp., Ltd.	1924	498,836	2,781	.56
	Summary	1924-25	£31,413,378	£119,985	.38
		1923-24	28,504,439	111,362	.39
	Increase		£2,908,939	£8,632	—

From the table it will be observed the cost of management of 21 Scottish investment trusts in the year 1923-24 averaged .39 per cent. of the total capitalization, while in the year 1924-25 there was a slight decrease to .38 per cent. or slightly over one-third of one per cent. The Caledonian Trust, a company organized in 1910, showed the lowest cost with .27 per cent. or a little over one-quarter of one per cent., while the East of Scotland Trust, reported the highest cost with .59 per cent. for the year 1923-24.

It will be recalled that when dealing with the policies regarding reserves, it was pointed out that the Scottish companies had built up reserves amounting in the aggregate to 85.7 per cent. of the outstanding capitalization as compared with 43.9 per cent. in the case of the English companies. The results achieved by the Scottish companies in respect to their management costs are equally striking. The average cost of management of the Scottish companies was .38 per cent. of the total capitalization as compared with .44 per cent. in connection with the English companies. The Scotch costs of operation were 86.5 per cent. of the English average or 13½ per cent. lower as a whole than the English costs. An examination of the tables above will also bring out the fact that, in the main, as it was to be expected, the larger the companies, the lower the ratio of the cost of management to capitalization.

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Book Reviews

Capital for Labor

By the Authors of "The Secret of High Wages."

Some eighteen months ago, two young Englishmen b,y name W. Francis Lloyd and Bertram Austin, published a book entitled, "The Secret of High Wages." In this volume the authors endeavored to explain that cutting wages was not the panacea of Britain's industrial troubles, but that wages should be maintained and even increased if England was to regain its manufacturing ascendancy, pointing out the success which had been achieved in the United States by adherence to this policy. Needless to say, opposition to this argument arose on both sides of the Atlantic, but there was an equal measure of support.

Since then, the authors have made an intensive study, at first hand, of industry in England, and, in a new book by name of "Capital for Labor," have propounded certain theories which I think will cause even more controversy than did the first book. In reality, the second volume is an expansion of the theme of the first book, namely, higher wages for labor. The arguments marshalled in favor of this theory, whilst written with the English situation in mind, apply with equal force to Canada, or any other country in the world which has to contend with labor troubles.

After reviewing the depressing general trend of Great Britain's trade, as revealed by import and export returns, the authors go on to point out that "labor disputes, lockouts, and strikes, are precipitated by bad trade, and the cost of them falls directly upon the shareholder, worker or taxpayer. Moreover, these conditions have resulted in heavy trade losses by important companies, with the disappointing accompaniment of reduced dividends or, quite often, no dividend at all."

Responsibility of Directors

At this point comes up the responsibility of the directors of a company to the shareholders and the workers. Directors "are paid for the responsibility of selecting the management and formulating the policy of the company. Having been paid for it, they must also accept the responsibility for loss. While the shareholders are technically responsible for choosing their directors, they are usually asked to approve the nominees of the promoters of the company." In many instances, directors are appointed by reason of their success in other fields, social prestige, or wealth. If they are unfamiliar with the business, then the company is handicapped to that extent. This trouble is not applicable only to England; it has been experienced in the United States and Canada. Many companies in this country have gone to the wall through the inability of the directors to cope with a situation with which they were unacquainted.

The inability of certain companies to meet competition of foreign agencies in the world's markets is due to their inability to increase the output per man employed. This is tantamount to putting the whole blame on the workers, who are asked to suffer by the failure of the management to adopt more economic methods. The injustice of this is apparent, and it behooves the shareholders to overhaul their board of directors, eliminating the unqualified once and for all and reconstituting the board with new members selected for their proven knowledge of the industry and business ability.

Eliminate Supply and Demand

Nor should the reorganization stop there. The board should be charged with finding the best available man to take charge of the business, the board "themselves being rigidly excluded from any executive function subordinate to the newly-elected head." Then comes the necessity of giving the workers wages according to the work they do and not according to the supply and demand in the labor market. They should also be given a voice in industry.

Many of the profit-sharing schemes attempted in England, Canada, and other countries, have failed because they are obviously paternalistic methods of trying to interest workers. Very often a small proportion of the profits is allocated to the profit-sharing fund, and, when this is subdivided among the employees, the net result is a microscopic reward to each individual. The authors point out that "payment by results provides the worker with a direct incentive to improve his efficiency, while equitable profit-sharing provides all workers with an incentive to co-operate for the general good of the firm. If continued good work and effective co-operation are shown to have resulted in profits greater than those originally anticipated, the whole of the extra profits should be allocated to the employees of the firm."

This suggestion will by no means meet with universal approval. The man with capital to invest puts his money in an enterprise in the anticipation that he will not get an ordinary return, but that his capital will continue to grow and net him many times the amount invested. If this is the case, then the abnormal returns represent the premium which he is entitled to when he puts his money into a proposition in which there is no guarantee of his capital or interest.

Two Classes of Capital

The plan, as outlined in the book, is to call the original capital's shares Class "A," and employee's shares Class "B." The second security is distributed to all employees as the increased profits warrant. When an employee leaves, he would either receive payment for his shares or be given Class "A" shares at the option of the company. This would eliminate the possibility of finding large sums of money in the event of many employees leaving at one time. The employee with Class "A" shares would be free to do with them as he pleased.

The two classes of stock would have the same voting power. Class "A" shares would be senior capital and would rank as cumulative participating and voting preference shares. The minimum dividend fixed for "A" shares would depend upon the nature of the business, and would have to be equal to the anticipated dividend which first attracted the capital. New class "B" shares would only be created when a dividend can be paid on existing "B" shares equal to that paid on "A" shares. In the course of time, if the company continued to be prosperous on account of the workers, Class "B" shareholders would have an equal if not greater voting power than holders of "A" shares. The public would be free to buy and sell Class "A" shares only. This would tend to stabilize the stock on the exchange and would place it in a class with government securities.

Workers Appoint Own Directors

When the workers secure control of the company, there would be no difficulty about wages and hours, because these points would be decided by the men themselves through their own directors. The protection to capital under this scheme is proposed by the suggestion that "if, after control had been passed to the employees, the firm made a loss, those in control must be assumed to have been responsible, and the loss should be met by writing down Class 'B' shares and reducing their voting powers in proportion. If the loss were sufficiently great, the control would automatically pass back to the capitalist holders of the Class 'A' shares."

Thus, it would be to the interests of the workers to protect the company at all times, for by so doing they would be protecting their own "investment" and assuring stability of employment.

Schemes, somewhat similar to this, have been tried out in the United States and, in one or two isolated instances, in Canada, but they have been wrecked early in life through some fundamental weakness. This method of giving the workers a direct interest in the company in which he is engaged is certainly preferable to the nationalization of industry, but whether the one outlined above will prove equal to all cases is a matter of opinion. It will, however, be worthwhile watching the reaction which will undoubtedly take place when this book is put on the market. It is not yet out, but I have been given the privilege of seeing advance proofs, from which I have prepared this review. The volume will be issued this month by Ernest Benn, Ltd., Bouverie House, London.—J. E. L.

Recollections of a Busy Life

The two Forgan brothers, who came from Scotland to get their early banking training in Canada and then, in time, became the respective heads of two of the largest banking institutions in the world (both in Chicago) have carved romance on the stony wall of finance. As much as anything else their success was due to the kind of training that the Scottish and Canadian banks give to their clerks. Back of that training, however, was a rare instinct for success that is apparently a Forgan family feature. The father of James B. and David R. Forgan was a manufacturer of golf clubs at St. Andrew's, Scotland. He founded the first golf club manufacturing business at St. Andrew's. The business still flourishes and is still in the hands of the Forgan family as most Canadian golfers know from the imprints on some of their choicest clubs. Incidentally, after James B. Forgan went to Chicago and had built a world-wide reputation as a banker, he helped to start a golf club in that city, the first golf club there. He is known as the father of golf in the middle western United States.

I have been reading "Recollections of a Busy Life," the autobiography of James B. Forgan, chairman of the board of directors of the First National Bank of Chicago, and head of a number of affiliated institutions. I do not think the book is entirely new. Rather it bears the publication date 1924, but it has just come to my attention. Mr. Forgan's personal story has a real interest for Canadians, particularly for Canadian bank men. Several chapters are devoted to telling of his experiences in the Bank of British North America and the Bank of Nova Scotia.

Mr. Forgan was a bank clerk in Scotland when he was offered the opportunity of competing for a position with the Bank of British North America in Canada. He won the job by merit. His passage was paid to Canada and when he arrived he was put to work at a salary of $700 a year. As he was then only about 21, it is apparent that bank clerks in 1873 received commensurately higher salaries than they do to-day. From his earliest days, Forgan evidently showed ability as a utility man. He was always being sent from branch to branch to clean up particularly nasty jobs; to wind up a company, to nurse a sick account or report on someone else's work. Always he was able to find some solution and usually pulled the bank out of the hole it had fallen into with profit to both the bank and himself. This continued when he joined the bank of Nova Scotia as paying teller at $1,200 a year. He was moved from branch to branch and saw a little of every kind of banking and commerce and became thoroughly well acquainted with most of the business centres in Canada. Halifax, however, was his chief love, although he related that he went there only because he lost the flip of a coin with another clerk who would have had to go if Forgan had won.

Forgan was twelve years with the Bank of Nova Scotia and finally received an offer from a Minneapolis bank that his Scotch soul could not refuse. Chicago then sought him and there he has remained to the present day, always advancing in influence.

Mr. Forgan's autobiography was originally written for private circulation, but in deference to the wishes of his friends it has been published for wider distribution. All the profits, however, go to the Illinois St. Andrew's Society for the Scottish Old People's Home. The volume is beautifully printed, bound in black leather and sells for $6. The Bankers' Publishing Company, 71 Murray Street, New York, are the publishers.

An interesting feature is that the present edition is autographed. Mr. Forgan's signed autograph appears below in a striking passage in which he says: "My business success was, of course, co-ordinate with that of the banks I worked for and their success was attributable to the marvellous opportunities they had for growth and development. . . . The fact is that the extraordinary business development of the United States and Canada during the past generation has afforded opportunities for bankers and banking in both countries unparalleled in any previous generation in any country in the world's history. All that we bankers had to do, therefore, was to keep the middle of the road, manage the affairs of our banks honestly and with ordinary care, and success for ourselves and our institutions was inevitable."—F.S.C.

The Marketing Problem

The seemingly boundless prosperity of the United States, coinciding with one of Britain's most serious business crises, is a circumstance, too apparent to be passed by without investigation by both theoretical and practical economists. Such men as Hamilton Fyfe, Sir Josiah Stamp, Hartley Withers and the authors of "The Secret of High Wages" have visited the United States to trace the roots of the phenomenon of American prosperity; to see if there is not there something that can be transplanted to British soil. Canadians, sitting, in a business sense, between England on the one hand and the United States on the other ("sitting pretty," many would call it) cannot but be interested in each such analysis of American conditions made by a Britisher or in sidelights on British business methods as Americans see them.

A book just published by E. T. Elbourne, director of marketing investigation for Shaw, Wardlaw & Company, under the title of "The Marketing Problem; How It Is Being Tackled in the United States," illuminates the recent advances that have been made on this continent, in the past few years, in attempting to make an exact science out of merchandising and advertising. To the Canadian business man or student who has followed closely his business papers and attended his trade association conventions there will be little new in this book. It is a very comprehensive outline of modern marketing methods as preached and practiced on this side of the water, but is not to be regarded as more than an outline. It does crystallize one's ideas on the subject, but does not go into thorough analysis of methods. We imagine that the Englishman will find it chiefly valuable as suggesting lines for further investigation.

The foreword by Sir Josiah Stamp is exceedingly interesting and it pays a high tribute to the American business man; a tribute that would, no doubt, cause Sinclair Lewis, H. L. Mencken and the other Babbitt-baiters to tear their hair. In the American, says Stamp, "There is a restlessness of mind, a refusal to take old ideas for granted, a pitiless scrutiny of every corner of the economic structure, an eagerness to try every new thing, that must score even if they miss the mark many times. Sometimes the stolid and pedestrian Britisher thinks the American over-fussy, mistaking busyness for business, 'doing a great deal of packing for a journey he never starts.' But even though much effort gets nowhere, there is such abundance of data, of propaganada, of statistics, that a great deal of it must contrive to get effectively into the industrial machine."

The "jacket" or outer paper cover of a book is at best a vaporous affair, an advertising afterthought. But the jacket of this book, somewhat futuristic, is the best thing we have ever seen done on a business book.

The Canadian publishers are Longman's, Green & Co., 210 Victoria Street, Toronto. The price is $4.50.

No-par Stock

Carl Robbins, M.A., professor of economics at Stanford University, is the author of this volume. (The Ronald Press, N. Y., $4), which views the issuance of no-par stock from the angle of the corporation, the promoter, the corporation creditor, the shareholder, the accountant, the public, and the state. So far as the Canadian reader and investor is concerned, the value of the work would have been enhanced materially if it had discussed, along with the laws of the 38 states which now authorize the issuance of no-par stock, the laws of the Dominion and the several provinces relating to the same practice. Nevertheless, so long as investment is disinclined to note international boundaries, and while Canadians are interested in United States investments, the work is valuable for its discussion of the advantages and disadvantages of this comparatively new form of capital structure, and for its summary of the conflicting state laws on the subject.

While the theory of no-par value stock is highly regarded by the author, he points out disadvantages which have not been apparent to the public, and which, for the most part, have been ignored in discussions of capital structures in which no-par stock has played a part. For instance, it has been widely believed that common stock of no-par value tends to eliminate water from capitalization. Professor Robbins points out that overvaluation is still possible, and is even easier, in that company promoters in most states are not liable for underpaid subscriptions where the stock has no par value. The accounting practice of grouping the company surplus and the no-par stock in one item of the balance sheet also is criticized as misleading to the shareholders and the public.—J.G.J.

Russia in 1926

Unfortunately, when we reviewed this book two weeks ago, we gave the price as 75c. The publishers, J. M. Dent & Sons, Toronto, advise us that this should be $1.

Operating Under Dominion Government Charter and Inspection

Comparative Statement showing the progress and development of the International Loan Co. from Jan., 1919, to Dec. 31st, 1926.

	1919	1926	Increase
Subscribed Capital	2,000,000.00	4,438,100.00	2,438,100.00
Paid up Capital	333,168.31	653,660.71	320,492.40
Assets	403,402.98	759,460.08	356,057.10
Mortgages and Agreements	376,487.68	710,077.26	333,589.58
Surplus Profit and Loss Account	25,790.07	103,512.76	77,722.69
Liabilities to the Public	44,444.60	Nil	....

The company has paid all its operating and organization expenses and 69% in dividends to the Shareholders since 1913.

INTERNATIONAL LOAN COMPANY

404 TRUST AND LOAN BUILDING,
WINNIPEG, CANADA

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Managing Director.

J. HORSINGTON,
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Subscriptions have been received in excess of this issue.

NEW ISSUE—

$225,000

City Gas Company of London

6% 20-Year First Mortgage Sinking Fund Gold Bonds

Dated 1st April, 1927. Due 1st April, 1947.

Principal and semi-annual interest (1st April and 1st October), payable in Canadian gold coin, or its equivalent of lawful money of Canada, at the Bank of Toronto, London, Montreal or Toronto. Coupon Bonds in denominations of $1,000 and $500 registerable as to principal only. Redeemable in whole or in part at the Company's option at any time upon sixty days' notice — at 103 and accrued interest up to and including April 1st, 1929; at 102 and accrued interest thereafter up to and including April 1st, 1932; at 101½ and accrued interest thereafter up to and including April 1st, 1937; at 101 and accrued interest thereafter up to and including April 1st, 1942, and at par and accrued interest thereafter.

Trustee: The London & Western Trusts Company, Limited.

The Company

City Gas Company of London was incorporated by Special Act of the Legislature of the Province of Ontario for the purpose of manufacturing and supplying artificial gas to its customers in the City of London, Ontario, and vicinity, and its rates and tolls are subject to revision from time to time by the Ontario Railway and Municipal Board.

Capitalization

	Authorized	Issued
6% 20-Year Sinking Fund Gold Bonds (this issue)	$250,000.00	$225,000.00
Capital Stock	$400,000.00	$288,000.00

PROPERTY AND BUSINESS.—City Gas Company of London was incorporated under the name of the City Gas Company in 1864, and has been manufacturing and distributing artificial gas throughout the City of London and surrounding district since that time. The property consists of an artificial gas plant with a distributing system of 110 miles of mains throughout the City of London and part of the Townships of London and Westminster.

EARNINGS.—The earnings of the City Gas Company of London for the last five years have averaged over three times the interest requirements on these Bonds, and in no year during that period have they been less than twice the interest requirements. The Company, according to its last audited statement as of December 31st, 1926, has a net worth of over $750,000 after providing for the payment of the Bonds of this issue.

SECURITY.—The Bonds of this issue will be secured by a First Mortgage on all the real and immovable property now owned or hereafter acquired, and a floating charge on all the undertaking and other property of the Company, both present and future.

The Trust Deed securing the Bond issue provides for the payment to the Trustee of a Sinking Fund, commencing April 1st, 1928, which it is estimated will be sufficient to redeem over 50% of the total issue at or before maturity.

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The Statements contained herein are based upon information which we believe to be reliable, although we cannot guarantee their accuracy.

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